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Texas Law Review

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*State Accountability for Violations of Intellectual Property
Rights: How To "Fix" Florida Prepaid (And How Not To)*

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APRIL 2001

VOL. 79 No. 5

State Accountability for Violations of Intellectual Property Rights: How To “Fix” *Florida Prepaid* (And How *Not* To)

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I.	Background	1044
A.	<i>The Strange Career of State Sovereign Immunity</i>	1045
B.	<i>The Leahy Bill and Other Proposals</i>	1051
II.	The Abrogation Proposal	1055
A.	<i>Due Process, Takings, and the Florida Prepaid Decisions</i>	1058
1.	<i>Is Intellectual Property Really “Property”?</i>	1059
2.	<i>State Infringements as Deprivations of Property Without Due Process of Law</i>	1061
3.	<i>State Infringements as Takings</i>	1068
4.	<i>Florida Prepaid’s Proportionality Analysis and Two Forms of Abrogation</i>	1072
B.	<i>Building a Better Record for Across-the-Board Abrogation</i>	1074
1.	<i>What Evidence of State Infringement Exists?</i>	1077
2.	<i>Does Evidence of Non-Negligent Infringement Exist?</i>	1079
3.	<i>Are State Remedies for Infringement Adequate?</i>	1081
C.	<i>Pure Case-by-Case Abrogation: The Leahy Proposal and Its Likely Effects</i>	1083
1.	<i>Does Federal Law Foreclose State Remedies in Intellectual Property Cases?</i>	1088
2.	<i>Monetary Relief</i>	1090

* © 2001 Mitchell N. Berman, R. Anthony Reese, and Ernest A. Young. All three of us are Assistant Professors of Law at the University of Texas at Austin. We thank Lynn Blais, Paul Goldstein, Mark Lemley, Christopher Leslie, Daniel Meltzer, Neil Netanel, William Powers, Simon Steel, Patrick Woolley, and—most of all—Douglas Laycock for helpful comments and suggestions; Gretchen Hoffman, Michael Lovins, Siobhan Stiglitz, Rosa Theofanis, and Beth Youngdale for valuable research assistance; and the editors of the *Texas Law Review* for their diligence, patience, and good humor.

We dedicate this Article to the memory of our colleague, Charles Alan Wright.

3. <i>Injunctive Relief</i>	1095
4. <i>Impoundment and Disposition</i>	1101
5. <i>Comparisons</i>	1106
D. <i>Policing State Courts</i>	1109
III. <i>Two Roads Not Taken</i>	1115
A. <i>Suits by the United States and on Its Behalf</i>	1115
B. <i>A Quick Word on Qualified Immunity</i>	1121
1. <i>Are Officers Immune in Intellectual Property Cases?</i>	1122
2. <i>Selected Abrogation of Qualified Immunity</i>	1126
IV. <i>The Waiver Proposal</i>	1130
A. <i>Conditional Spending</i>	1132
1. <i>The Dole Test</i>	1133
2. <i>One Way to Satisfy Dole</i>	1134
3. <i>One Way Not to Satisfy Dole</i>	1137
4. <i>Doubts About Dole</i>	1143
B. <i>Conditional Intellectual Property Protection</i>	1146
1. <i>A Threshold Question: Can Congress Withhold Federal Intellectual Property Protection from States Alone?</i>	1147
2. <i>Restrictions on the Use of Federal Benefits</i>	1150
3. <i>The Dole Test</i>	1151
4. <i>The Nollan Approach</i>	1155
5. <i>Adequate Alternative Channels</i>	1161
C. <i>Conditional Commerce Clause Regulation</i>	1166
1. <i>The Benefit Analysis</i>	1168
2. <i>The Penalty Analysis</i>	1170
D. <i>Summary</i>	1171
V. <i>State Intellectual Property Violations and Foreign Affairs</i>	1173
A. <i>U.S. Obligations Under Intellectual Property Agreements</i>	1174
1. <i>U.S. Obligations Under Traditional Intellectual Property Treaties</i>	1176
2. <i>U.S. Obligations Under International Trade Agreements</i>	1179
3. <i>Summary</i>	1187
B. <i>The Limited Usefulness of the Treaty Power</i>	1188
C. <i>Suits by the United States on Behalf of Foreign Plaintiffs</i>	1194
VI. <i>Conclusion</i>	1195

The Great State of Texas may well have had more songs written about it—surely more *good* songs, in any event—than any other state of the Union.¹ The state also makes fairly aggressive efforts to market itself for purposes of attracting tourism, business, and new residents. So what would happen if the state decided to tap into its rich musical resources by using one of these songs as a promotional jingle?² If this were done without the permission of the original artist, the state might expect a federal copyright lawsuit to recover damages for infringement of the artist's rights under federal intellectual property law.

Such a suit would clearly fail, however, under current law. In two companion cases decided during the October 1998 Term, the Supreme Court raised significant barriers to federal intellectual property suits against state governments. *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank* held that the constitutional doctrine of state sovereign immunity blocked Congress's effort to subject states to liability for patent infringement under the Patent and Plant Variety Protection Remedy Clarification Act (PRCA).³ The other case, *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, similarly held that Congress could not subject states to damages liability for false advertising under the Lanham Act.⁴ While neither of these cases dealt with the copyright laws implicated by our hypothetical, the Fifth Circuit has already relied on *Florida Prepaid* and *College Savings Bank* to also bar copyright suits against state entities.⁵

These developments have sparked efforts in Congress to amend the federal intellectual property laws to ensure that state governments will remain accountable for violations of federal rights. Senator Patrick Leahy of Vermont has introduced the Intellectual Property Protection Restoration Act of 1999, which is designed to guarantee remedies for intellectual

1. See, e.g., LYLE LOVETT, WILLIS RAMSEY, & ALISON RODGERS, *That's Right (You're Not from Texas)* (1996); RODNEY CROWELL & EMMYLOU HARRIS, *Waltz Across Texas Tonight*, (1995); DON GEORGE & MITCH MILLER, *The Yellow Rose of Texas* (1996); STEVEN FROMHOLZ, *Texas Trilogy* (1969); JOHN STARLING, *He Rode All the Way to Texas* (1985); TRADITIONAL, *Texas River Song* (Lyle Lovett arr. 1998); MICHAEL MARTIN MURPHY & BOOMER CASTLEMAN, *West Texas Highway* (1971); ROBERT EARL KEEN & LYLE LOVETT, *This Old Porch* (1986); SANGER D. SCHAEFER & DARLENE SCHAEFER, *All My Exes Live in Texas* (1987); T. STAFFORD & P. FRASER, *Amarillo By Morning* (1982); MARTY ROBBINS, *El Paso* (1959); COLE PORTER, *See That You're Born in Texas* (1943).

2. It has, actually. See *Lyle* (Texas Dep't of Economic Devel., Tourism Div., commercial broadcast, 1997). But such efforts, to our knowledge, have always enjoyed the permission of the relevant artists. Not all these songs would make good promos, of course. See, e.g., STEVEN FROMHOLZ, *Texas Trilogy: Bosque County Romance* (1969) (too sad).

3. 527 U.S. 627 (1999).

4. 527 U.S. 666 (1999). The plaintiff actually brought two separate suits, one alleging patent infringement and one alleging false advertising. The relevant jurisdictional statutes mandated that appeal of the patent suit go to the Federal Circuit, while the appeal of the trademark suit went to the Third Circuit. See 28 U.S.C. § 1295(a)(1) (1994).

5. *Chavez v. Arte Publico Press*, 204 F.3d 601 (5th Cir. 2000).

property violations by state governmental actors.⁶ And the U.S. Patent and Trademark Office recently held a conference where experts discussed the Leahy Bill and similar proposals.⁷ Given the widespread support among beneficiaries of federal intellectual property rights for some sort of legislative action, it appears likely that either some version of the Leahy Bill or some other proposal with similar objectives will ultimately become law.

In this Article, we consider what form such legislation ought to take in order to withstand future constitutional challenge. We focus primarily on Senator Leahy's proposal, both because it is so far the only bill formally put before Congress and because it represents a quite sophisticated effort to come to grips with the relevant constitutional doctrines.⁸ As we will explain in the pages that follow, we are convinced that many aspects of Senator Leahy's analysis are sound. We would not be legal academics, however, if we did not offer some criticisms and variant proposals of our own. And on some points—particularly the bill's effort to condition federal protection for state innovation on waivers of sovereign immunity—our objections are fairly fundamental.

It may help to make two assumptions clear at the outset. First, we take as given the Rehnquist Court's current jurisprudence on state sovereign immunity⁹ and the scope of Congress's remedial authority for violations of constitutional rights.¹⁰ While many have questioned the Court's approach in both these areas,¹¹ the Court's current majority seems

6. S. 1835, 106th Cong. (1999). See also *Leahy Drafts Bill to Restore Right to Sue States for Infringement*, BNA Daily Report for Executives, 205 DER A-16 (Oct. 25, 1999).

7. See Notice of Conference on State Sovereign Immunity and Intellectual Property Rights, 65 Fed. Reg. 11,987 (Patent and Trademark Office, Mar. 7, 2000); *IP, Constitutional Scholars Explore Sovereign Immunity Issues*, 59 PAT., TRADEMARK & COPYRIGHT J. 743 (April 7, 2000). The House has also held hearings. See *House Panel Hears from Experts on State Immunity from IP Suits*, 60 PAT., TRADEMARK & COPYRIGHT J. 253 (July 28, 2000).

8. Although Congress is sometimes criticized for paying inadequate attention to the constitutionality of its enactments, see, e.g., *A Shot from Justice Scalia*, WASH. POST, May 2, 2000, at A22, Senator Leahy's proposal stands as a thoughtful counter-example. For a discussion of how Congress might institutionalize more thorough consideration of constitutional issues, see Elizabeth Garrett & Adrian Vermeule, *Institutional Design of a Thayerian Congress*, 50 DUKE L.J. (forthcoming 2001).

9. See, e.g., *Alden v. Maine*, 527 U.S. 706 (1999) (holding that the states' constitutional immunity from suit extends to state court); *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44 (1996) (holding that Congress cannot abrogate state sovereign immunity pursuant to its Article I powers).

10. See, e.g., *Kimel v. Florida Bd. of Regents*, 528 U.S. 62 (2000) (holding that Congress may not use Section Five of the Fourteenth Amendment to abrogate state immunity for discrimination against the aged); *City of Boerne v. Flores*, 521 U.S. 507 (1997) (holding that Congress can only use its power under Section Five of the Fourteenth Amendment to prevent or remedy an actual constitutional violation, and that Section Five legislation must be proportional to such violations).

11. For criticism of the Court's state sovereign immunity cases, see, for example, *Seminole Tribe*, 517 U.S. at 100-85 (Souter, J., dissenting); William A. Fletcher, *A Historical Interpretation of the Eleventh Amendment: a Narrow Construction of an Affirmative Grant of Jurisdiction Rather Than a*

unlikely to abandon its present course and stare decisis may make future changes of direction difficult, even in the event of personnel changes on the bench.¹² In any event, a general analysis from first principles of state sovereign immunity or Congress's authority under the Reconstruction Amendments is outside the scope of this Article.

Second, we do not undertake a systematic analysis of the extent to which state governmental entities *ought* to be subject to the federal intellectual property laws.¹³ Rather, we generally assume *arguendo* that the remedies available against such entities ought to be as close as possible to the remedies available against private actors, with the constraint that attempts to achieve complete remedial parity must trade off with the likelihood of a statute withstanding constitutional attack. In other words, we do not ask whether the values associated with federalism ought, as a policy matter, to influence Congress to choose a different or less extensive intellectual property regime for state governments.¹⁴ Instead, we seek merely to clarify the options *available* to Congress in deciding that issue.

Our analysis proceeds in five parts. Part I traces the long, strange history of the Court's state sovereign immunity doctrine, culminating in the Court's decisions in *Florida Prepaid* and *College Savings Bank*. That history, in a nutshell, has left us with a broad doctrine of state sovereign immunity that may be circumvented by Congress only when it acts pursuant to its constitutional power to enforce the Reconstruction

Prohibition Against Jurisdiction, 35 STAN. L. REV. 1033 (1983); Vicki C. Jackson, *The Supreme Court, the Eleventh Amendment, and State Sovereign Immunity*, 98 YALE L. J. 1 (1988); Daniel J. Meltzer, *The Seminole Decision and State Sovereign Immunity*, 1996 SUP. CT. REV. 1; Ernest A. Young, *State Sovereign Immunity and the Future of Federalism*, 1999 SUP. CT. REV. 1 [hereinafter *State Sovereign Immunity*]. On the Court's recent interpretations of the Section Five power, see, for example, David Cole, *The Value of Seeing Things Differently: Boerne v. Flores and Congressional Enforcement of the Bill of Rights*, 1997 SUP. CT. REV. 31; Douglas Laycock, *Conceptual Gulfs in City of Boerne v. Flores*, 39 WM. & MARY L. REV. 743 (1998) [hereinafter *Conceptual Gulfs*]; Michael W. McConnell, *Institutions and Interpretation: A Critique of City of Boerne v. Flores*, 111 HARV. L. REV. 153 (1997).

12. *But see* Young, *State Sovereign Immunity*, *supra* note 11, at 66-68 (discussing the refusal of the Court's four nationalist justices—Justices Stevens, Souter, Ginsburg, and Breyer—to accept the precedential legitimacy of the Court's state sovereign immunity cases).

13. The Court has, for example, suggested that state sovereign immunity enhances the ability of state governments to govern for the benefit of their citizens in a number of practical ways. *See, e.g., Alden*, 527 U.S. at 749-53. Even where the Fourteenth Amendment confers power on Congress to override state sovereign immunity, *see infra* Part II, these practical benefits of immunity would remain as policy reasons (of debatable strength) for Congress not to exercise that power. To say this is not, of course, to suggest that countervailing policies might not outweigh those benefits.

14. For a suggestion that parity of a different kind—that is, between remedies available against states and against the federal government—might favor something less than the remedies available against private parties, see Eugene Volokh, *Sovereign Immunity and Intellectual Property*, 73 S. CAL. L. REV. 1161, 1162-67 (2000). We discuss aspects of Professor Volokh's argument *infra* at Subsection II.C.5; *see also infra* note 598.

Amendments¹⁵ or when it can induce the states to waive their immunity voluntarily. With this background in place, we outline legislative proposals intended to restore states' accountability for violations of intellectual property rights in the wake of the Court's decisions. The Leahy proposal tracks the two primary routes around state sovereign immunity. The Bill's first aspect seeks to abrogate the states' immunity pursuant to Congress's power to enforce constitutional rights, while its second aspect seeks to induce waivers of immunity by withholding the carrot of federal intellectual property protection for the states' own innovations.

Part II focuses on the Leahy Bill's abrogation aspect. Although the statutes struck down in *Florida Prepaid* and *College Savings Bank* took a similar tack, we suggest that a re-drafted abrogation statute can succeed if it is narrowly targeted at actual constitutional violations by the states. Such a re-drafted statute might take one of two somewhat different approaches. First, it might—as the PRCA did—abrogate state immunity “across the board” for all federal intellectual property violations and simply seek to develop a better legislative record for such broad abrogation than the record that was found wanting in *Florida Prepaid*. Second, Congress might instead require plaintiffs to prove the legal predicate for a valid exercise of Congress's Section Five power—that is, the existence of an actual constitutional violation by the state defendant—in each individual case. We think the second approach is more likely to succeed.

One limitation of any abrogation approach, however, is that the states do not act unconstitutionally—and therefore provide no predicate for abrogation—so long as they provide “adequate” remedies for infringement of intellectual property rights. We thus consider at length the adequacy of the remedies that states may be obligated to provide in order to avoid abrogation. While we conclude that those remedies are considerably less attractive than the panoply of remedies currently available against private defendants under federal intellectual property laws, they will generally suffice—in combination with forms of injunctive relief not barred by sovereign immunity in the first place—to provide some meaningful relief. We also conclude that states are more likely to attempt to provide such relief under state law rather than accept abrogation of their immunity in federal court, so that an abrogation approach might have the primary effect of shifting intellectual property litigation against states into state courts. If that is so, then Congress ought to turn its attention to improving those courts' ability to process federal intellectual property claims. We offer some thoughts on how to do that at the end of Part II.

15. See U.S. CONST. amend. XIII, § 2; U.S. CONST. amend. XIV, § 5; U.S. CONST. amend. XV, § 2.

Part III considers two proposals not included in the current version of the Leahy Bill, although they are related to the abrogation proposal discussed in Part II. The first is a version of abrogation proposed by Professor Jonathan Siegel that takes advantage of the general exception to state sovereign immunity for suits on behalf of the U.S. government.¹⁶ We think this proposal, which would allow private parties to invoke the interest of the United States while bearing the cost of litigation themselves, is unlikely to withstand constitutional scrutiny. We also question a different proposal, which would abrogate the qualified immunity enjoyed by individual state officers when they are sued for damages in their personal capacities. Although Congress would undoubtedly have the power to override the common law doctrine of official immunity, we think a statute overruling that doctrine for suits by comparatively well-heeled intellectual property plaintiffs—and not for the less fortunate individuals who typically bear the brunt of the qualified immunity defense in cases involving police brutality and illegal searches—might be perceived as outrageous special interest legislation.

Part IV shifts to the primary alternative to an abrogation strategy: requirements that states *waive* their sovereign immunity to federal intellectual property suits in order to receive some form of federal benefit, such as cash grants or federal protection for the states' own intellectual property. The Leahy Bill, for example, would require any state applying for federal intellectual property protection (such as a patent on its own inventions) to certify that it had waived immunity from suits charging it with violating the federal intellectual property rights of others. Such an approach implicates the unconstitutional conditions doctrine—that is, the principle that the government (sometimes) may not condition the award of government benefits upon the surrender of a constitutional right. While the unconstitutional conditions doctrine is notoriously murky, we conclude that the Leahy Bill's waiver strategy raises serious constitutional problems under each of several different doctrinal approaches to the issue. We suggest a number of ways in which these problems might be eased; in particular, under current Spending Clause jurisprudence, Congress might fare better by seeking to induce waiver through the conditional offer of certain types of federal funds.

Finally, Part V considers the impact of state intellectual property violations on foreign affairs. Various international agreements, including the Trade-Related Aspects of Intellectual Property Rights agreement (TRIPs), obligate the U.S. government to guarantee that remedies will be available to foreign nationals for violations of their intellectual property

16. See Jonathan R. Siegel, *Congress's Power to Authorize Suits Against States*, 68 GEO. WASH. L. REV. 44, 73-102 (1999).

rights occurring within the United States.¹⁷ A bar to such remedies where the infringer is a state government may place the United States in violation of the relevant agreements. While we reject the view that the treaty power authorizes Congress to override the states' sovereign immunity where Congress would otherwise lack the power to do so, we conclude that present immunity doctrines may allow Congress to create alternative remedies sufficient to satisfy our international obligations.

One final caveat is in order. We have found, in writing this Article, that the situation raised by the Court's decisions in *Florida Prepaid* and *College Savings Bank* implicates a surprisingly high proportion of the difficult and unanswered questions in the Federal Courts and Constitutional Law curriculum.¹⁸ This fact has had two consequences. First, the Article is much longer than we would like.¹⁹ We have accordingly tried to summarize often and cross-reference thoroughly, so that some of the detail can be skipped over if necessary in aid of quicker digestion. Second, we have not been able to provide definitive answers on any number of points. We have, however, attempted to advance debate on these issues by identifying the relevant arguments and considerations. We hope the result will be useful to Congress and the legal community as they consider the important questions raised by the Court's recent adventures.

I. Background

The current controversy over the Leahy Bill and other proposals to render states accountable for violations of federal intellectual property laws marks the rude intrusion of a hoary old federal courts problem into one of the law's most cutting-edge disciplines. While those of us who teach Federal Courts revel in the new hope that all those hours spent reading Nineteenth Century state bond cases²⁰ may not have been wasted after all, intellectual property aficionados may be justifiably aghast at the confused and confusing doctrine that has come to roost in their field. (The

17. See Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round vol. 31, art. 41, 33 I.L.M. 1197 (1994) [hereinafter TRIPs] (providing that “[m]embers shall ensure that enforcement procedures . . . are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement”); Peter S. Menell, *Economic Implications of State Sovereign Immunity from Infringement of Federal Intellectual Property Rights*, 33 LOY. L.A. L. REV. 1399, 1448-64 (2000) (describing the impact of state sovereign immunity on international intellectual property agreements).

18. Some of the intellectual property issues are no picnic, either.

19. But compare Louis Kaplow & Steven Shavell, *Fairness Versus Welfare*, 114 HARV. L. REV. 961 (2001) (427 pages and 1047 footnotes).

20. See, e.g., *Hans v. Louisiana*, 134 U.S. 1 (1890); *In re Ayers*, 123 U.S. 443 (1887); *Louisiana v. Jumel*, 107 U.S. 711 (1882).

intellectual property field, after all, can already boast more than a few confused and confusing doctrines of its own.) In this Part, we offer a guide to the state sovereign immunity thicket, as well as a survey of the proposals designed to keep federal intellectual property rights from getting lost within it.

A. *The Strange Career of State Sovereign Immunity*

The obvious place to begin to understand state sovereign immunity is with the Eleventh Amendment. That amendment was ratified to overturn the result of the Court's 1793 decision in *Chisholm v. Georgia*,²¹ which upheld federal diversity jurisdiction over a suit brought by an individual against a state government to collect a debt. The Eleventh Amendment provides that:

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.²²

The most natural reading of this text is as a "carve out" from Article III's Citizen-State Diversity Clauses, which provide that "[t]he Judicial Power shall extend to all Cases . . . between a State and Citizens of another State; . . . and between a State . . . and foreign States, Citizens or Subjects."²³ On this reading—sometimes called the diversity theory—the Eleventh Amendment simply repeals the Citizen-State Diversity Clauses in all cases where the state is a defendant. The implication is that diversity of citizenship may not be a basis for federal jurisdiction in such cases, but that other bases—like federal question jurisdiction—would remain available.²⁴

This reading of the Eleventh Amendment's text is not terribly controversial.²⁵ That is true even among the current members of the

21. 2 U.S. (2 Dall.) 419 (1793).

22. U.S. CONST. amend. XI.

23. U.S. CONST. art. III, § 2.

24. See, e.g., *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 109-16 (1996) (Souter, J., dissenting); Fletcher, *supra* note 11, at 1113; Jackson, *supra* note 11, at 105.

25. See *Seminole Tribe*, 517 U.S. at 110 n.8 (Souter, J., dissenting) (citing "[t]he great weight of scholarly commentary" in favor of the diversity theory). Some scholars have urged a "plain meaning" interpretation, which would bar federal jurisdiction in any suit against a state brought by an out-of-state plaintiff, whether jurisdiction is based on diversity alone or on some other ground as well. See, e.g., Lawrence C. Marshall, *Fighting the Words of the Eleventh Amendment*, 102 HARV. L. REV. 1342 (1989). For present purposes, however, the important point is that no interpretation of the Eleventh Amendment's text has been thought to support the Court's present position—that is, that state sovereign immunity bars all suits against the states for money damages, whether brought by in-staters or out-of-staters, and whether predicated on diversity or federal question jurisdiction. See *Seminole Tribe*, 517 U.S. at 110 (Souter, J., dissenting).

Court, whose deep divisions over state sovereign immunity do not extend to their reading of the Amendment's text.²⁶ Unfortunately, the key to understanding state sovereign immunity doctrine is to realize that the Eleventh Amendment's text actually has very little to do with it. The Court's rulings have long avowed that "we cannot rest with a mere literal application of the words of § 2 of Article III, or assume that the letter of the Eleventh Amendment exhausts the restrictions upon suits against non-consenting states."²⁷ Instead, the Court has insisted that "[b]ehind the words of the constitutional provisions are postulates which limit and control."²⁸ The Court's recent discussion in *Alden v. Maine*²⁹ echoes this line, acknowledging that "the scope of the States' immunity from suit is demarcated not by the text of the [Eleventh] Amendment alone but by fundamental postulates implicit in the constitutional design."³⁰

The Court's present majority thus views state sovereign immunity as a pre-constitutional principle, implicit in the constitutional structure, that bars suits against states for money damages. State sovereign immunity is, in this sense, much like *federal* sovereign immunity, which remains an enduring presence in our law despite its lack of any textual home in the Constitution.³¹ On this view, the relatively narrow text of the Eleventh Amendment is simply a response to the particular problem precipitated by the *Chisholm* ruling, which (supposedly) shocked the early Republic by raising the specter of state liability on Revolutionary War debts.³² As Justice Kennedy explained in *Alden*, "Congress chose not to enact language codifying the traditional understanding of sovereign immunity but rather to address the specific provisions of the Constitution that had raised concerns during the ratification debates and formed the basis of the *Chisholm*

26. See, e.g., *Seminole Tribe*, 517 U.S. at 54 (majority opinion) (acknowledging that "the text of the Amendment would appear to restrict only the Article III diversity jurisdiction of the federal court"); *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 31 (1989) (Scalia, J., concurring in part and dissenting in part) (same).

27. *Monaco v. Mississippi*, 292 U.S. 313, 322 (1934).

28. *Id.*

29. 527 U.S. 706 (1999).

30. *Id.* at 729. See generally Ernest A. Young, *Alden v. Maine and the Jurisprudence of Structure*, 41 WM. & MARY L. REV. 1601, 1616-24 (2000) [hereinafter *Jurisprudence of Structure*] (discussing the *Alden* Court's forthright abandonment of textualism in state sovereign immunity cases).

31. See, e.g., *United States v. Lee*, 106 U.S. 196, 207 (1882) (observing that "the principle [of federal sovereign immunity] has never been discussed or the reasons for it given, but it has always been treated as an established doctrine").

32. See *Hans v. Louisiana*, 134 U.S. 1, 11 (1890) (recounting the "shock of surprise" that followed *Chisholm*). The actual degree of "shock" and the legal correctness of *Chisholm*'s holding at the time of decision are controversial. See, e.g., *Alden*, 527 U.S. at 761 (Souter, J., dissenting) (arguing that *Chisholm* was rightly decided at the time); *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 107 (1996) (Souter, J., dissenting) (disputing the "shock of surprise" characterization).

decision.³³ The text's narrow focus on the Citizen-State Diversity Clauses, then, does not deny that the states were understood to possess a broader, pre-existing immunity.³⁴

This understanding is, of course, vigorously contested.³⁵ For present purposes, however, the important point is that the majority's view has led to three critical departures from the constitutional text:

- (1) Despite the more natural diversity reading, state sovereign immunity bars suits against states based on federal question jurisdiction as well as on diversity jurisdiction;³⁶
- (2) Despite the Eleventh Amendment's reference to "the Judicial power of the United States," state sovereign immunity operates as a federal constitutional bar to jurisdiction even where the suit is brought in *state* court,³⁷ and
- (3) Despite the Eleventh Amendment's wording as a limitation on subject matter jurisdiction,³⁸ state sovereign immunity can be waived by the state governmental defendant.³⁹

The first departure creates a problem for federal intellectual property law. Claims under patent, copyright, and other intellectual property statutes⁴⁰ are federal question claims, "arising under" federal law. While the Eleventh Amendment's text has no bearing on such claims, the Court's broader view of state sovereign immunity forbids them where the defendant is a state governmental entity.⁴¹ The second departure forecloses one

33. *Alden*, 527 U.S. at 723.

34. *See id.* at 728-29 (stating that "[t]he Eleventh Amendment confirmed rather than established sovereign immunity as a constitutional principle"); *Seminole Tribe*, 517 U.S. at 106 (Souter, J., dissenting) (agreeing that discussions of sovereign immunity in the ratification debates focused on whether the Citizen-State Diversity Clauses themselves abrogated state sovereign immunity).

35. In addition to the sources cited in note 11, *supra*, see *Alden*, 527 U.S. at 763-68 (Souter, J., dissenting); Young, *Jurisprudence of Structure*, *supra* note 30, at 1664-75 (criticizing the *Alden* majority's reasoning).

36. *See Seminole Tribe*, 517 U.S. at 54; *Hans*, 134 U.S. at 15-17.

37. *See Alden*, 527 U.S. at 753-54.

38. *See* U.S. CONST. amend. XI (providing that "[t]he Judicial power . . . shall not be construed to extend to any suit" meeting certain criteria).

39. *See College Sav. Bank*, 527 U.S. at 675; *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 238 (1985); *Clark v. Barnard*, 108 U.S. 436, 447 (1883). The state may, moreover, consent to suit in *state* court without also consenting to suit in *federal* court. *See Smith v. Reeves*, 178 U.S. 436 (1900); CHARLES ALAN WRIGHT, *LAW OF FEDERAL COURTS* § 46 at 293-304 (5th ed. 1994). Without "an unequivocal waiver specifically applicable to federal court jurisdiction," a consenting state will be held to have agreed to suit only in state court. *Atascadero*, 473 U.S. at 241.

40. *See, e.g.*, 28 U.S.C. § 1338 (1994).

41. *See Hans*, 134 U.S. at 10, 15 (asserting that reading the text to mean that "in cases arising under the Constitution or laws of the United States, a State may be sued in the federal courts by its own citizens, though it cannot be sued for a like cause of action by the citizens of other States" would be an "anomalous result" that would "strain the Constitution and the law to a construction never imagined or dreamed of").

possible solution, which would be for Congress to authorize federal intellectual property suits against the states in *state* courts, where the Eleventh Amendment has no application. By extending its constitutional doctrine of state sovereign immunity to state courts two years ago in *Alden v. Maine*, the Court created a uniform rule of immunity that applies regardless of forum.⁴²

The third departure, which abandons the ordinary rule that restrictions on subject matter jurisdiction may not be waived by the parties,⁴³ offers a different solution to the immunity problem: The states may be held accountable for violations of federal rights if they can be induced to consent to suit.⁴⁴ Congress's initial attempts to ensure state accountability in the intellectual property area, however, took a different form entirely: Rather than attempting to induce voluntary waivers, statutes like the Patent and Plant Variety Protection Remedy Clarification Act (PRCA)⁴⁵ and the Trademark Remedy Clarification Act (TRCA)⁴⁶ sought to *override* the states' immunity directly.⁴⁷

One might reasonably ask, "How in the world can Congress override a constitutional provision—like the Eleventh Amendment—by statute?" Two primary answers have emerged. The first relies on the distinction between what Justice Stevens called "our two Eleventh Amendments": (1) the text of the Amendment itself, and (2) "the defense of sovereign immunity that the Court has added to the text . . . in cases like *Hans v. Louisiana*."⁴⁸ Proponents of the diversity reading of the Amendment's text have frequently viewed the latter, extra-textual immunity as a creature of federal common law, subject to override by federal legislation.⁴⁹

42. See generally Carlos M. Vázquez, *What Is Eleventh Amendment Immunity?* 106 YALE L.J. 1683 (1997) (discussing the alternatives of viewing state sovereign immunity as a forum-selection rule or a substantive bar to liability).

43. See *Mansfield, Coldwater & Lake Michigan Ry. v. Swan*, 111 U.S. 379, 382 (1884).

44. See Meltzer, *supra* note 11, at 50-55 (suggesting that such waivers might be induced by conditional grants of federal funds or similar means). On the federal side, the United States has consented to suit for federal intellectual property claims, although that waiver is subject to important limitations. See 28 U.S.C. § 1498 (1994 & Supp. 1998) (consenting to suit on patent and copyright claims); 15 U.S.C. § 1122 (1994) (consenting to suit on trademark and unfair competition claims). See *infra* text accompanying notes 329-341.

45. 35 U.S.C. §§ 271(h), 296(a) (1994).

46. 15 U.S.C. § 1122 (1994).

47. See *Florida Prepaid*, 527 U.S. at 613-23 (discussing the PRCA); *College Sav. Bank*, 527 U.S. at 670 (discussing the TRCA).

48. *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 23 (1989) (Stevens, J., concurring).

49. See *id.* at 23-24. In his *Union Gas* concurrence, Justice Stevens stated that:

With respect to the former—the legitimate scope of the Eleventh Amendment limitation on federal judicial power—I do not believe Congress has the power under the Commerce Clause, or under any other provision of the Constitution, to abrogate the States' immunity. A statute cannot amend the Constitution. With respect to the latter—the judicially created

Under this view, which enjoyed a brief heyday as a result of the Court's 1989 decision in *Pennsylvania v. Union Gas Co.*,⁵⁰ Congress could abrogate the states' sovereign immunity whenever it clearly expressed its intent to do so.⁵¹ This "clear statement" test proved quite difficult to satisfy in practice, and most statutes drafted prior to its formulation did not satisfy it.⁵² As we discuss in the next section, the PRCA and TRCA were products of the *Union Gas* period, designed to provide the clear statement required to override state sovereign immunity.⁵³

The Court shut down this form of abrogation, however, in *Seminole Tribe of Florida v. Florida*.⁵⁴ Reasoning that the states' extra-textual immunity is constitutional in stature, not just a form of federal common law, the Court held that this immunity is not subject to abrogation by statute—at least when Congress acts pursuant to its authority under the Commerce Clause or some other Article I power.⁵⁵ This last qualification was necessary to accommodate the Court's prior holding that Congress *can* abrogate state sovereign immunity when it acts pursuant to its power to enforce the Reconstruction Amendments.⁵⁶ That exception forms the second answer to the abrogation question: some federal powers are simply special, so that they allow Congress to overcome constitutional barriers that would otherwise bar legislation based on a different enumerated authority.

Some disagreement exists concerning *why* the Section Five power is special. One explanation asserts that the Reconstruction Amendments were

doctrine of state immunity even from suits alleging violation of federally protected rights—I agree that Congress has plenary power to subject the States to suit in federal court.

Id.; see also *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 158-68 (1996) (Souter, J., dissenting) (arguing that as a creature of the common law, states' extra-textual immunity must remain subject to legislative override).

50. 491 U.S. 1 (1989).

51. See, e.g., *Hoffman v. Connecticut Dep't of Income Maint.*, 492 U.S. 96, 101 (1989) (stating that "to abrogate the States' Eleventh Amendment immunity from suit in federal court . . . Congress must make its intention 'unmistakably clear in the language of the statute'") (quoting *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 242 (1985)). The Court justified this "clear statement" rule as necessary "[t]o temper Congress' acknowledged powers of abrogation with due concern for the Eleventh Amendment's role as an essential component of our constitutional structure." *Dellmuth v. Muth*, 491 U.S. 223, 227-28 (1989); see also William N. Eskridge, Jr. & Philip P. Frickey, *Quasi-Constitutional Law: Clear Statement Rules as Constitutional Lawmaking*, 45 VAND. L. REV. 593 (1992) (discussing the role of clear-statement rules in the Eleventh Amendment and other contexts).

52. See, e.g., DOUGLAS LAYCOCK, *MODERN AMERICAN REMEDIES* 462 (2d ed. 1994) (complaining that the Court had enforced the clear-statement rule "with extraordinary ferocity").

53. See *infra* text accompanying note 66-70.

54. 517 U.S. 44 (1996).

55. *Id.* at 72-73.

56. See, e.g., U.S. CONST. amend. XIV, § 5 (providing that "[t]he Congress shall have power to enforce, by appropriate legislation, the provisions of this article"); *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456 (1976) (recognizing Congress's authority to abrogate state sovereign immunity under the Section

broadly intended to create a general exception to federalism limitations on federal power. The *Fitzpatrick* Court, for example, explained that “[w]hen Congress acts pursuant to § 5, not only is it exercising legislative authority that is plenary within the terms of the constitutional grant, it is exercising that authority under one section of a constitutional Amendment whose other sections by their own terms embody limitations on state authority.”⁵⁷ A different account relies on the fact that the Fourteenth Amendment was later in time than the Eleventh Amendment, and therefore “amends” the preceding amendment.⁵⁸ Finally, one of us has argued more narrowly that Congress’s power to “enforce” federal rights should be understood, as a textual matter, to include the power to impose a damages remedy notwithstanding sovereign immunity.⁵⁹ Although the Court has never definitively chosen among these rationales, the choice does have some implications for whether a similar abrogation power might be inferred under other federal powers, such as the power to make and implement treaties with foreign nations.⁶⁰

Several avenues around state sovereign immunity exist in addition to abrogation. One, as we have mentioned, is waiver: Congress may seek to induce states to waive their sovereign immunity for certain kinds of claims, subject only to the fairly amorphous constraints on Congress’s ability to condition benefits on the surrender of constitutional rights.⁶¹ A second alternative involves suits against state officers for injunctive or declaratory relief. Because sovereign immunity has traditionally never barred such suits,⁶² present law allows suits against state officers for, say, an injunction against further patent infringement, even in the absence of further abrogating legislation.⁶³ Moreover, state officers can be sued in their individual capacities for violations of federal rights, although such

57. *Fitzpatrick*, 427 U.S. at 456.

58. *Compare, e.g., Pennsylvania v. Union Gas*, 491 U.S. 1, 41 (1989) (Scalia, J., concurring in part and dissenting in part) (making the later-in-time argument), *with id.* at 17-18 (plurality opinion of Brennan, J.) (rejecting the chronological argument). *See also* Jesse M. Fader, Note, *Congressional Abrogation of State Sovereign Immunity*, 86 COLUM. L. REV. 1436, 1442-44 (1986) (discussing the later-in-time argument).

59. *See, e.g., Young, State Sovereign Immunity, supra* note 11, at 11.

60. *See infra* Section V.B.

61. *See South Dakota v. Dole*, 483 U.S. 203 (1987) (upholding a federal law conditioning the award of federal highway funds to state governments upon their adoption of a 21-year-old drinking age); *see also infra* Sections IV.A-C (discussing constraints on federal authority imposed by the unconstitutional conditions doctrine).

62. *See Ex parte Young*, 209 U.S. 123 (1908) (state immunity); *United States v. Lee*, 106 U.S. 196 (1882) (federal immunity); *see also Idaho v. Coeur d’Alene Tribe*, 521 U.S. 261, 306-09 (1997) (Souter, J., dissenting) (describing the historical lineage and practical necessity of the exception for officer suits).

63. *But see infra* notes 296-308 and accompanying text (discussing possible limits on officer suits where the state is exercising its eminent domain power).

suits cannot reach the deep pocket of the state treasury.⁶⁴ Finally, state sovereign immunity is no bar to suits brought by the U.S. government.⁶⁵

These options—abrogation, induced waiver, officer suits, and suits by the United States—make up the remedial toolbox open to Congress as it seeks to ensure that state governments remain accountable for violations of federal intellectual property rights. We detail some of the specific proposals directed toward this end in the next section.

B. *The Leahy Bill and Other Proposals*

The intellectual property community began to focus on the problem of state sovereign immunity in the wake of *Atascadero State Hospital v. Scanlon*,⁶⁶ which held that Congress may abrogate state sovereign immunity only when it makes its intent to do so unmistakably clear in the text of the relevant statute. Although *Atascadero* was not an intellectual property case, the Federal Circuit relied on it shortly thereafter in *Chew v. California*⁶⁷ to hold a state government immune from a suit for patent infringement because the federal patent laws contained no sufficiently clear statement of abrogation.⁶⁸ Congress responded to *Atascadero* and *Chew* by adding unequivocal statements abrogating state immunity to the patent, plant variety, copyright, and trademark laws.⁶⁹ These amendments—which were drafted with the Court's clear statement jurisprudence specifically in mind—easily satisfied *Atascadero*'s test.⁷⁰

64. See, e.g., 13 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3524 at 150 (1981). But see John C. Jeffries, Jr., *In Praise of the Eleventh Amendment and Section 1983*, 84 VA. L. REV. 47, 49-50 (1998) ("Very generally, a suit against a state officer is functionally a suit against the state, for the state defends the action and pays any adverse judgment."). Suits against individual officers remain subject to the defense of qualified immunity, which bars recovery absent a violation of "clearly established law." See *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982); see also *infra* Section III.B (discussing the impact of qualified immunity on intellectual property suits).

65. See *Alden v. Maine*, 527 U.S. 706, 755-56 (1999) (noting the continued availability of this option). A final limitation on state sovereign immunity, less directly relevant here, is that such immunity does not extend to local governments. See *Lincoln County v. Luning*, 133 U.S. 529 (1890).

66. 473 U.S. 234 (1985).

67. 893 F.2d 331 (Fed. Cir. 1990).

68. *Id.* at 335. The regional circuits had reached similar conclusions regarding the copyright statute. See *Lane v. First Nat'l Bank of Boston*, 871 F.2d 166 (1st Cir. 1989); *BV Eng'g v. UCLA*, 858 F.2d 1394 (9th Cir. 1988); *Richard Anderson Photography v. Brown*, 852 F.2d 114 (4th Cir. 1988) (all holding a state entity immune from suit for copyright infringement).

69. In addition to the PRCA and the TRCA, cited *supra* in notes 45 and 46, see the Copyright Remedy Clarification Act, Pub. L. No. 101-553, 104 Stat. 2749 (1990) (codified as amended in scattered sections of 17 U.S.C.). As Justice Stevens noted in his *College Savings Bank* dissent, see *College Sav. Bank*, 527 U.S. at 698, *Atascadero* prompted the addition of clear abrogation language to a number of other federal statutes as well, such as the Americans with Disabilities Act, 42 U.S.C. § 12202, and the Bankruptcy Act, 11 U.S.C. § 106(a).

70. See *Florida Prepaid*, 527 U.S. at 635; *College Sav. Bank*, 527 U.S. at 670. The TRCA, for example, says that state entities "shall not be immune, under the eleventh amendment of the

As a matter of constitutional power, the amendments relied primarily on Congress's Article I powers to "promote the Progress of Science and useful Arts"⁷¹ (in the case of the patent and copyright statutes) and to regulate interstate commerce⁷² (in the case of plant varieties and trademarks). After the Court's ruling in *Seminole Tribe* that Congress may not abrogate state immunity when acting pursuant to its Article I powers,⁷³ it became necessary to justify these abrogation measures as exercises of Congress's Section Five power—the only effective basis for abrogation remaining. The question in *Florida Prepaid* and *College Savings Bank* was thus whether the PRCA and the TRCA fell within the scope of Congress's enforcement authority under Section Five.⁷⁴ For reasons that we discuss in Part II, the Court held that they did not.⁷⁵

The *Florida Prepaid* and *College Savings Bank* decisions, as well as lower court rulings suggesting the imminent demise of the Copyright Remedy Clarification Act (CRCA),⁷⁶ have prompted a new round of legislative efforts to ensure state accountability for violations of federal intellectual property rights. The most prominent proposal is the Intellectual Property Protection Restoration Act,⁷⁷ sponsored by Senator Patrick Leahy of Vermont. The Leahy Bill—which covers all forms of federal intellectual property rights⁷⁸—pursues two separate strategies. First, it excludes state

Constitution . . . or under any other doctrine of sovereign immunity, from suit in Federal court by any person" 15 U.S.C. § 1122(b) (1994). That's pretty clear.

71. U.S. CONST. art. I, § 8, cl. 8.

72. *Id.* at cl. 3.

73. *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 47, 76 (1996); see also *supra* text accompanying notes 54-56 (discussing *Seminole Tribe*).

74. Although Congress appears to have relied on both its Article I and Section Five powers in enacting the PRCA and the TRCA, it appears to have considered only the Article I power in conjunction with the earlier-enacted Copyright Remedy Clarification Act (CRCA). See Christina Bohannon & Thomas F. Cotter, *When the State Steals Ideas: Is the Abrogation of State Sovereign Immunity from Federal Infringement Claims Constitutional in Light of Seminole Tribe?*, 67 FORDHAM L. REV. 1435, 1455 (1999). That means that in addition to the other hurdles considered in this Article, the CRCA may run afoul of the Court's suggestion that because the Section Five power permits extraordinary incursions on state prerogatives, Congress must invoke it explicitly. See *Pennhurst State Sch. & Hosp. v. Halderman*, 451 U.S. 1, 16 (1981); see also Bohannon & Cotter, *supra*, at 1455-57 (discussing this issue). Any such problem could, however, be cured by simply amending the CRCA to invoke the Fourteenth Amendment expressly.

75. See *infra* Section II.A.

76. See, e.g., *Chavez v. Arte Publico Press*, 204 F.3d 601, 608 (5th Cir. 2000) (holding that the CRCA exceeded Congress's Section Five power).

77. S. 1835, 106th Cong. (1999). This bill was introduced in—and expired with—the 106th Congress. While some version of it will likely be introduced in the 107th Congress, the new bill may well differ in some of its particulars from S. 1835. For sake of concreteness, we have focused on S. 1835, with the expectation that the core concepts of that bill will remain relevant to its future incarnations.

78. See, e.g., *id.* § 101 (defining "Federal intellectual property law" to cover "any form of intellectual property, including a patent, protected plant variety, copyright, mask work, original design, trademark, or service mark").

governmental entities from participation in the federal intellectual property system unless the state certifies that it has waived its sovereign immunity from federal intellectual property suits brought against it.⁷⁹ For example, a state entity filing a federal patent application must file an "assurance" that the state has waived its immunity with the Commissioner of Patents and Trademarks.⁸⁰ If the state later asserts its immunity in a lawsuit, the court in which the suit is pending must notify the Commissioner of the state's action.⁸¹ Such a "breach" of the state's assurance forfeits any pending patent applications filed by state entities, bars the state from acquiring new intellectual property rights for one year, and renders the state's pre-existing intellectual property rights unenforceable against other parties.⁸²

Second, the Leahy Bill abrogates state sovereign immunity, pursuant to Congress's Section Five power, in those cases where state violation of a federal intellectual property right amounts to a constitutional violation.⁸³ In renewing the abrogation effort embodied in the PRCA and the TRCA, the Leahy Bill seeks to remedy the shortcomings identified by the Court in *Florida Prepaid* and *College Savings Bank*. Specifically, the bill creates a cause of action triggered whenever a state "takes" federal intellectual property rights "in violation of the fifth amendment of the United States Constitution, or deprives any person of [federal intellectual property rights] without due process of law in violation of the fourteenth amendment," and it specifies that plaintiffs shall be entitled to the same measure of damages that they would receive in a suit against a private party.⁸⁴ The bill also explicitly provides for actions against state officers for injunctive relief.⁸⁵ Finally, the bill expressly preempts state authority to utilize inventions or works covered by the federal intellectual property statutes in any way inconsistent with the provisions of those laws.⁸⁶

Other proposals have surfaced in addition to those embodied in the Leahy Bill. For instance, participants at a recent conference at the Patent and Trademark Office observed that although current law permits suits against state officers in their individual capacity for violation of federal

79. See *id.* Title I, Subtitles B (outlining conditions for state participation in the federal intellectual property system), C (providing procedures for administration of these conditions), and D (amending the various federal intellectual property statutes to implement these conditions).

80. *Id.* § 131(a)(1).

81. *Id.* § 121.

82. *Id.* § 113.

83. See *id.* Title II (creating a federal cause of action against state governments for violation of federal intellectual property rights).

84. See *id.* § 201 (amending the federal patent laws). Other sections of the bill provide for a similar cause of action under the copyright, trademark, plant variety, mask work, and original design laws. See, e.g., *id.* §§ 202-206.

85. See *id.* § 201.

86. See *id.* For a discussion of this provision, see *infra* Subsection II.C.3.

intellectual property rights, such suits may frequently be thwarted by the defense of qualified immunity.⁸⁷ That defense, which shields officers from individual liability unless they violate "clearly established law,"⁸⁸ might be particularly relevant in the fuzziest corners of intellectual property law, such as the copyright doctrine of fair use. Some conference participants thus suggested that Congress preempt the qualified immunity defense in order to ensure that state officers may be held accountable for state violations of intellectual property rights, even if the state government itself is immune.⁸⁹

Finally, some have argued that whatever is done to counteract state sovereign immunity generally, specific measures are needed to ensure United States compliance with international agreements mandating that adequate remedies be available to foreign owners of intellectual property rights. Some scholars have asserted that, in this context, Congress may override state sovereign immunity by use of the treaty power.⁹⁰ Others have advised the creation of mechanisms to allow enforcement of foreign intellectual property claims against state governments through suits by the United States.⁹¹ Such suits might take the form of either direct actions brought by government lawyers or *qui tam* suits instituted by private plaintiffs on the federal government's behalf.⁹²

Our exploration of these options begins in the next Part with the Leahy Bill's proposal to abrogate state sovereign immunity. In Part III, we consider a somewhat different abrogation proposal by which individual intellectual property plaintiffs would sue in the name of the United States, as well as some suggestions that Congress should abrogate the qualified immunity accorded to individual state officers. Part IV takes up the Leahy

87. Although one of us attended the conference, no comprehensive report of the proceedings is presently available. For a brief discussion of proposals to rely primarily on officer suits, coupled with elimination of qualified immunity in such suits, see *State Sovereign Immunity and Protection of Intellectual Property, 2000: Oversight Hearing Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary 5-6* (statement of Daniel J. Meltzer, Harvard Law School), available at <http://www.house.gov/judiciary/melt0727.htm> [hereinafter *Meltzer Testimony*].

88. See *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982).

89. Because qualified immunity is a creature of federal common law, rather than a constitutional imperative, it is subject to statutory override. See *City of Milwaukee v. Illinois*, 451 U.S. 304, 316-17 (1981) (discussing Congress's broad power to preempt federal common law rules by statute); RICHARD H. FALLON ET AL., *HART AND WECHSLER'S THE FEDERAL COURTS AND THE FEDERAL SYSTEM* 1166-67 (4th ed. 1996) [hereinafter *HART & WECHSLER*] (discussing the sources of federal officer immunity doctrines).

90. See, e.g., Menell, *supra* note 17, at 1460-61 (arguing that "[b]ecause state sovereignty has never been understood to extend to international affairs, the Eleventh Amendment would not appear to limit this aspect of Congress' Article I powers").

91. See, e.g., Alden v. Maine, 527 U.S. 706, 755-56 (1999) (pointing out that the states remain subject to suits by the United States).

92. Cf. *Vermont Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S. 765 (2000) (holding that *qui tam* plaintiffs have standing under Article III, but reserving the question of whether

Bill's waiver proposal, and Part V considers the issues raised by United States obligations under international intellectual property agreements.

II. The Abrogation Proposal

Title II of the Leahy Bill contains parallel abrogation provisions for patents, plant varieties, copyrights, mask works, original designs, and trademarks. The patent provision is typical, providing that

Any State that takes any of the rights of exclusion secured under this chapter in violation of the fifth amendment of the United States Constitution, or deprives any person of any of the rights of exclusion secured under this chapter without due process of law in violation of the fourteenth amendment—

(i) shall be liable to the party injured in a civil action against the State for recovery of that party's reasonable and entire compensation; and

(ii) may be enjoined from continuing or future constitutional violations, in accordance with the principles of equity and upon such terms as the court may determine reasonable.⁹³

This language is directly responsive to the central thrust of the Court's abrogation cases since *Seminole Tribe*: abrogation can only occur when the states have violated a federal constitutional provision, and the scope of the abrogation must be narrowly tailored to the problem represented by such violations.⁹⁴ For this reason, we think that the Leahy Bill's abrogation proposal is plainly constitutional (and well-advised, at that).

Any discussion of this proposal must begin with the contours of the abrogation power in light of the Court's recent case law. It is important to underscore the fact that the critical issues in *Florida Prepaid* and *College Savings Bank* concerned the scope of the Section Five power, not the extent of state sovereign immunity.⁹⁵ As in *Seminole Tribe*, the majorities in

93. S. 1835, 106th Cong. § 201 (1999). Section 201 is couched as an amendment to 35 U.S.C. § 296. The bill's parallel provisions are § 202 (amending 7 U.S.C. § 2570, concerning plant varieties); § 203 (amending 17 U.S.C. § 511, concerning copyrights); § 204 (amending 17 U.S.C. § 911 and adding a new § 915, concerning mask works); § 205 (amending 17 U.S.C. 1309(a), and adding a new § 1333, concerning original designs); and § 205 (amending 15 U.S.C. § 1122, concerning trademarks). The language quoted in the text appears in each of these sections without significant variation. As we have noted, this language may well change when new versions of the Leahy Bill are put forward in the current Congress.

94. In addition to *Florida Prepaid* itself, see *Board of Trs. of the Univ. of Ala. v. Garrett*, 121 S. Ct. 955 (2001) (holding that Title I of the Americans with Disabilities Act did not validly abrogate sovereign immunity pursuant to Section Five of the Fourteenth Amendment), and *Kimel v. Florida Bd. of Regents*, 528 U.S. 62 (2000) (holding that the Age Discrimination in Employment Act did not validly abrogate state sovereign immunity under the Section Five power).

95. This is true even though the dissenters in both cases refused to accept the majority's premise that Congress lacks power to abrogate state sovereign immunity when it acts pursuant to its Article I powers. See, e.g., *Florida Prepaid*, 527 U.S. at 664 (Stevens, J., dissenting) (expressing his continued rejection of the Court's holding in *Seminole Tribe*); *College Sav. Bank*, 527 U.S. at 699-700 (Breyer,

Florida Prepaid and *College Savings Bank* acknowledged that Congress may abrogate sovereign immunity when exercising its enforcement power under the Reconstruction Amendments.⁹⁶ The latter decisions thus focused on the limits of the Section Five power articulated in the 1997 case of *City of Boerne v. Flores*.⁹⁷ *City of Boerne's* analysis frames much of our discussion in this Part.

The Court's decision in *City of Boerne* struck down the Religious Freedom Restoration Act (RFRA)⁹⁸ as outside the bounds of Congress's power under Section Five of the Fourteenth Amendment. Congress enacted the RFRA in response to the Court's decision in *Employment Division v. Smith*,⁹⁹ which had held that neutral and generally applicable laws that incidentally burden the free exercise of religion need only pass rational basis review—and perhaps not even that. The RFRA sought to reinstate the strict scrutiny standard for such burdens that had prevailed prior to *Smith*.¹⁰⁰ Critics of the statute argued that, in effect, Congress had sought to alter by statute the Court's interpretation of the Free Exercise Clause.¹⁰¹

City of Boerne held that the Fourteenth Amendment's enforcement power is "remedial" in nature and does not include "the power to determine what constitutes a constitutional violation."¹⁰² Section Five legislation must therefore satisfy two conditions:

- (1) the practice that the legislation is designed to prevent or remedy must actually violate the Constitution; and

J., dissenting) (insisting that "Congress does possess the authority to abrogate a State's sovereign immunity where 'necessary and proper' to the exercise of an Article I power"). This striking nonacquiescence has continued in the Court's subsequent sovereign immunity cases. See *Kimel*, 528 U.S. at 99 (Stevens, J., dissenting) (explaining that *Seminole Tribe* does not merit stare decisis deference and "should be opposed whenever the opportunity arises"). Although we believe *Seminole Tribe* was wrongly decided, we take no position here on whether it ought to be overruled. We do, however, think such an overruling is unlikely in the foreseeable future.

96. See *Florida Prepaid*, 527 U.S. at 636-37; *College Sav. Bank*, 527 U.S. at 670; see also *supra* notes 57-60 and accompanying text (discussing the rationale for the abrogation power).

97. 521 U.S. 507 (1997). The Court's holdings that the PRCA and the TRCA did not constitute valid exercises of the Section Five power did not, of course, call into question Congress's broad power to create and protect intellectual property rights under Article I, § 8, cl. 8. Recourse to Section Five is necessary only for the abrogation of state sovereign immunity in suits to enforce such rights.

98. 42 U.S.C. §§ 2000bb to 2000bb-4 (1994).

99. 494 U.S. 872 (1990).

100. See 42 U.S.C. § 2000bb-1.

101. See, e.g., Marci A. Hamilton, *The Religious Freedom Restoration Act is Unconstitutional, Period*, 1 U. PA. J. CONST. L. 1, 4 (1998) (arguing that "the plain language of the Act reveals RFRA as a bald-faced attempt by Congress to alter the meaning of the Free Exercise Clause as interpreted in cases . . . involving burdens on religious conduct").

102. *City of Boerne*, 521 U.S. at 519. But see Laycock, *Conceptual Gulfs*, *supra* note 11, at 767-68 (questioning the coherence of this distinction).

(2) “[t]here must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end.”¹⁰³

These conditions suggest the general outlines of our discussion in the remainder of this Part. In Section II.A, we consider two sorts of constitutional violations that may arise when a state government infringes private intellectual property rights: a deprivation of property without due process of law in violation of the Fourteenth Amendment, and a taking of property without just compensation in violation of the Fifth Amendment (made applicable to the states by the Fourteenth).¹⁰⁴ The *Florida Prepaid* and *College Savings Bank* decisions applied *City of Boerne*'s analysis to the first of these theories, holding that the TRCA foundered on the first prong (actual constitutional violation), while the PRCA failed primarily to satisfy the second (proportionality).

Sections II.B and II.C consider two different approaches to abrogation of state sovereign immunity suggested by the Court's analysis in *Florida Prepaid*.¹⁰⁵ The first approach, outlined in Section II.B, arises out of certain language in the Court's opinion focusing on inadequacies in the legislative record before the Congress that enacted the PRCA. That language suggests that if Congress were simply to develop a more voluminous legislative record—say, with more evidence of widespread intellectual property infringement by states—a new effort to abrogate state immunity “across the board,” that is, for *all* state infringements, might succeed where the PRCA failed. We have our doubts about this reading of *Florida Prepaid*, and we suggest that any “improved” record would have to focus not only on the raw numbers of infringements but also on the proportion of these that turn out to be unconstitutional. We are also pessimistic about Congress's ability to construct such a legislative record at the present time.

Section II.C shifts to a second approach: “case by case” abrogation, which would require intellectual property plaintiffs to prove a violation of

103. *City of Boerne*, 521 U.S. at 519-20; see also *Florida Prepaid*, 527 U.S. at 639 (“[F]or Congress to invoke § 5, it must identify conduct transgressing the Fourteenth Amendment's substantive provisions, and must tailor its legislative scheme to remedying or preventing such conduct.”). The *Boerne* opinion did not make clear whether the proportionality requirement functions as a substantive limit on Congress's power or as evidence that Congress had a constitutionally legitimate preventative or remedial purpose. See *infra* note 565 and accompanying text. The distinction makes no difference for present purposes.

104. See *Chicago, Burlington & Quincy R.R. v. Chicago*, 166 U.S. 226 (1897) (holding that the Fourteenth Amendment incorporates the Fifth's Takings Clause). The Court has made clear that Congress's power to enforce the Reconstruction Amendments extends to enforcement of incorporated rights. See *City of Boerne*, 521 U.S. at 514.

105. Jonathan Siegel has proposed an entirely different abrogation scheme which does not rely upon the Section Five power at all. See Siegel, *supra* note 16, at 73-102. We discuss that proposal—which involves the use of *qui tam* suits by private individuals on behalf of the United States—in Section III.A, *infra*.

their constitutional rights as a predicate to state liability in each individual case. That is the approach taken by Title II of the Leahy Bill. Because this approach essentially builds the *City of Boerne* requirements into the substantive elements of state liability, we think it is plainly constitutional. The more difficult questions have to do with whether such abrogation will accomplish Congress's purpose. In particular, states might escape abrogation by providing remedies in their own courts that would satisfy the minimum constitutional requirements of due process. We thus spend the majority of Section II.C exploring the sorts of remedies that the Constitution might require the states to provide, as well as the extent to which these remedies may fall short of the remedial options provided under federal intellectual property statutes. In Section II.D, we consider possible ways of mitigating the risk that state remedies for infringement may undermine the uniformity of federal intellectual property law.

A. Due Process, Takings, and the Florida Prepaid Decisions

College Savings Bank and *Florida Prepaid* both involved the State of Florida's operation of a college tuition prepayment program under the catchy name of the "Florida Prepaid Postsecondary Education Expense Board." *College Savings Bank* had previously patented a similar business methodology. Alleging that the Board had both infringed the Bank's patent and misrepresented the Board's own plan in its advertising, the Bank sued under both the Patent Act and the false advertising provisions of the Lanham Act. In order to overcome the Board's sovereign immunity as an arm of the state, the Bank's two claims relied on the PRCA and the TRCA, respectively.¹⁰⁶

Under *City of Boerne*, the PRCA and TRCA could validly abrogate the State of Florida's immunity only if (1) they were directed at preventing or remedying an actual constitutional violation and (2) the liability imposed was proportional to that violation.¹⁰⁷ Two constitutional theories were available for arguing that state infringements of intellectual property rights actually violate the Constitution: that such infringements work a deprivation of property without due process of law in violation of the Fourteenth Amendment, and that such infringements "take" private property without just compensation in violation of the Fifth Amendment. Both of these theories assume, as a necessary predicate, that federal intellectual property rights are, in fact, "property" within the meaning of the relevant constitutional provisions.

We begin our discussion with this necessary predicate—the existence of a constitutionally protected property interest—in Subsection II.A.1

106. See *Florida Prepaid*, 527 U.S. at 636-37; *College Sav. Bank*, 527 U.S. at 670-72.

107. See *supra* notes 102-03 and accompanying text.

below. We then discuss the due process theory in Subsection II.A.2, followed by the takings theory in Subsection II.A.3. We conclude, in Subsection II.A.4, with a closer analysis of the *Florida Prepaid* Court's application of the proportionality prong of *City of Boerne*. That analysis suggests two different approaches that Congress might take to abrogation, which we pursue in Sections II.B and II.C below.

1. *Is Intellectual Property Really "Property"?*—The existence of a constitutionally protected "property" interest was the focus of the Court's opinion in the *College Savings Bank* case. That portion of the litigation focused on the Bank's claim, under the Lanham Act, that Florida Prepaid had falsely advertised its own tuition prepayment program in a way that injured its private competitor, the Bank. The Court held that, as applied to this sort of claim, the TRCA's effort to abrogate state sovereign immunity exceeded the Section Five power. The reason was that the sort of interests protected by the Lanham Act's false advertising provisions do not amount to "property" in the constitutional sense, so that an intrusion on those interests by the state—while illegal under federal statutory law—does not implicate the Fourteenth Amendment's Due Process Clause.¹⁰⁸

"The hallmark of a protected property interest," Justice Scalia reasoned, "is the right to exclude others."¹⁰⁹ The Court acknowledged that "[t]he Lanham Act may well contain provisions that protect constitutionally cognizable property interests—notably, its provisions dealing with infringement of trademarks, which are the 'property' of the owner because he can exclude others from using them."¹¹⁰ False advertising, however, is something a competitor does with its own property and involves no right of the plaintiff to exclude.¹¹¹ The plaintiff's statutory interest in being free from false advertising—of which he had been "deprived" by Florida Prepaid—was thus not "property" for due process purposes.

In reaching this conclusion, the Court rejected the argument that "any civil right of a pecuniary nature" is a protected property right under the Due Process Clause.¹¹² This is an important point because a contrary holding would have allowed Congress to abrogate state sovereign immunity pursuant to Section Five wherever some other federal law created a right to money damages. That result would make *Seminole Tribe* of trivial

108. See *College Sav. Bank*, 527 U.S. at 672-75.

109. *Id.* at 673.

110. *Id.* (citing *Kmart Corp. v. Cartier, Inc.*, 485 U.S. 176, 185-86 (1988)).

111. See *id.* (concluding that "Florida Prepaid's alleged misrepresentations concerning its own products intruded upon no interest over which petitioner had exclusive dominion"). The Court also rejected a second theory, which argued that the prohibition on false advertising protects "a more generalized right to be secure in one's business interests." *Id.* at 672. This interest was too "elusive"; "business in the sense of *the activity of doing business, or the activity of making a profit*," the Court concluded, "is not property in the ordinary sense." *Id.* at 675 (emphasis in original).

112. See *id.* at 673-74.

consequence indeed. More generally, a broad congressional power to define nontraditional property interests and then protect them through legislation under Section Five would offer an effective means of circumventing the Court's efforts to limit the scope of the commerce power.¹¹³ *College Savings Bank* suggests instead that the Court will confine protected property rights to a fairly narrow scope.

That scope, however, is still broad enough to include those federal intellectual property rights marked by the traditional right to exclude others. Chief Justice Rehnquist's majority opinion in *Florida Prepaid* thus had little difficulty in concluding that patent rights are protected by the Due Process Clause, and therefore they are a valid subject of Section Five legislation.¹¹⁴ In so holding, the Court confirmed statements from a long line of cases in the late nineteenth and early twentieth centuries indicating that patents are "property,"¹¹⁵ as well as the views of a number of commentators.¹¹⁶

We can think of no reason that the endorsement of trademarks and patents as "property" in *College Savings Bank* and *Florida Prepaid*, respectively, would not also extend to the core interests protected by the other federal intellectual property statutes—that is, copyrights, original designs, mask works, and plant varieties. Each of these statutes, while varying somewhat in the degree of protection conferred, conveys to the owner the right to exclude others emphasized by the Court in *College Savings Bank*.¹¹⁷ Several lower courts have suggested that copyrights are

113. See *United States v. Morrison*, 528 U.S. 598, 613-16 (2000); *United States v. Lopez*, 514 U.S. 549 (1995) (both limiting the scope of Congress's power under the Commerce Clause); see also Young, *State Sovereign Immunity*, *supra* note 11, at 48 (suggesting that a contrary holding in *College Savings Bank* would have rendered Section Five "virtually coextensive with the commerce power").

114. *Florida Prepaid*, 527 U.S. at 642 (observing that "[p]atents . . . have long been considered a species of property") (citing *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856)).

115. *James v. Campbell*, 104 U.S. 356, 357-58 (1881); *Hollister v. Benedict & Burnham Co.*, 113 U.S. 59, 67-68 (1885); *United States v. Palmer*, 128 U.S. 262, 270-71 (1888); *Crozier v. Fried. Krupp Aktiengesellschaft*, 224 U.S. 290 (1912); *William Cramp & Sons Ship & Engine Bldg. Co. v. Int'l Curtis Marine Turbine Co.*, 246 U.S. 28 (1918).

116. See, e.g., Paul J. Heald & Michael L. Wells, *Remedies for the Misappropriation of Intellectual Property by State and Municipal Governments Before and After Seminole Tribe: The Eleventh Amendment and Other Immunity Doctrines*, 55 WASH. & LEE L. REV. 849, 855-56 (1998); Thomas F. Cotter, *Do Federal Uses of Intellectual Property Implicate the Fifth Amendment?*, 50 FLA. L. REV. 529, 532-33 (1998); Bohannon & Cotter, *supra* note 74, at 1459; Shubha Ghosh, *Toward a Theory of Regulatory Takings for Intellectual Property: The Path Left Open After College Savings v. Florida Prepaid*, 37 SAN DIEGO L. REV. 637, 690 (2000).

117. The Court's earlier holding in *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986 (1984), provides important corroboration of this point. In *Ruckelshaus*, the Court held that trade secrets, a form of intellectual property protected under state law, are "property" in the sense that the Fifth Amendment requires just compensation when such secrets are "taken" by the federal government. See *id.* at 1003-04. Professors Heald and Wells have argued that "[i]f trade secrets, one of the weakest forms of intellectual property, are protected by the Fifth Amendment, then patents, copyrights, and trademarks must logically be protected as well." Heald & Wells, *supra* note 116, at 856.

property protected under the Takings Clause.¹¹⁸ And commentators who have considered the question have generally concluded that these other types of federal intellectual property are property for constitutional purposes.¹¹⁹

There may be other rights protected by federal intellectual property statutes that, like the right to be free from unfair competition in the Lanham Act, do not confer a right to exclude and therefore do not rise to the level of constitutional "property."¹²⁰ The Leahy Bill avoids entry into this thicket by purporting to abrogate state sovereign immunity only when a state takes or deprives a person of "the rights of exclusion" secured under the relevant federal statutes.¹²¹ Having established the predicate property interests, of course, one must still ask whether a state infringement of those interests amounts to a deprivation without due process of law or a taking without just compensation. We address those issues in the next two subsections.

2. *State Infringements as Deprivations of Property Without Due Process of Law.*—Because patents (and presumably other forms of intellectual property) are "property," the *Florida Prepaid* Court acknowledged that state infringement of intellectual property rights might amount to a deprivation of property without due process of law.¹²² The Court found, nonetheless, that the PRCA failed *City of Boerne's* second prong: the "proportionality between the injury to be prevented or remedied and the means adopted to that end."¹²³ The statute failed this test, the Court said, because "[t]he legislative record . . . suggests that the Patent Remedy Act does not respond to a history of 'widespread and persisting deprivation of constitutional rights' of the sort Congress has faced in enacting proper prophylactic Section 5 legislation."¹²⁴

The Court's reasoning on this point was not entirely pellucid. Chief Justice Rehnquist's opinion made much of a truly awful legislative record concerning the actual incidence of state patent infringement. The PRCA's sponsor, Representative Robert Kastenmeier, acknowledged that "[w]e do not have any evidence of massive or widespread violation of patent laws

118. See, e.g., *Lane v. First Nat'l Bank*, 871 F.2d 166, 174 (1st Cir. 1989); *Roth v. Pritkin*, 710 F.2d 934, 939 (2d Cir. 1983).

119. Roberta Rosenthal Kwall, *Governmental Use of Copyrighted Property: The Sovereign's Prerogative*, 67 TEXAS L. REV. 685, 693-94 (1989); Cotter, *supra* note 116, at 566; Bohannon & Cotter, *supra* note 74, at 1460 n.171; Heald & Wells, *supra* note 116, at 856-62.

120. See, e.g., Cotter, *supra* note 116, at 567 (suggesting that the "moral rights" protected under the Visual Artists Rights Act of 1990 may fall into this category).

121. See, e.g., S. 1835, 106th Cong. § 201 (1999) (patents).

122. See *Florida Prepaid*, 527 U.S. at 642 (recognizing that patents "are surely included within the 'property' of which no person may be deprived by a State without due process of law").

123. *City of Boerne v. Flores*, 521 U.S. 507, 519-20 (1997).

124. *Florida Prepaid*, 527 U.S. at 645.

by the States either with or without this State immunity."¹²⁵ The Federal Circuit's decision in *Florida Prepaid* could identify only eight patent infringement suits against state governments over the 110-year period between 1880 and 1990,¹²⁶ and Justice Stevens' dissent in the Supreme Court was unable to expand significantly on this record.¹²⁷ Asked about the present need for legislation at the House Hearings, the Acting Commissioner of Patents and Trademarks asserted that "just as a general philosophical matter, we believe that this law needs to be passed."¹²⁸ The Court concluded that "[a]t most, Congress heard testimony that patent infringement by States might increase in the future . . . and acted to head off this speculative harm."¹²⁹

This part of the Court's discussion suggests that before Congress may act to prevent or remedy unconstitutional activity, it must build a legislative record showing that the unconstitutional practice is in fact widespread. The Section Five power, in other words, is for real constitutional *problems*, not "general philosophical matter[s]."¹³⁰ It is easy to read the Court's complaint that "the Patent Remedy Act does not respond to a history of 'widespread and persisting deprivation of constitutional rights'" in this way.¹³¹ Other parts of the majority opinion, however, suggest that the problem was not so much that state patent violations were not "widespread and persisting" as that those violations frequently did not work a "deprivation of constitutional rights."¹³² Not all deprivations of property, after all, are unconstitutional. The problem, in the Court's view, was that the proportion of *unconstitutional* deprivations in patent cases was insufficiently large in comparison to the total range of infringement suits in which the PRCA would abrogate state sovereign immunity.

125. *Patent Remedy Clarification Act: Hearing on H.R. 3886 Before the Subcomm. on Courts, Intellectual Property, and the Administration of Justice of the House Comm. on the Judiciary*, 101st Cong. 22 (1990) [hereinafter *House PRCA Hearings*] (statement of Rep. Kastenmeier, member, House Comm. on the Judiciary).

126. See *Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 148 F.3d 1343, 1353-54 (Fed. Cir. 1998) (citing *Jacobs Wind Elec. v. Fla. Dep't of Transp.*, 919 F.2d 726 (Fed. Cir. 1990); *Chew v. California*, 893 F.2d 331, 332-33 (Fed. Cir. 1990); *Watts v. Univ. of Del.*, 622 F.2d 47, 53 (3d Cir. 1980); *Lemelson v. Ampex Corp.*, 372 F. Supp. 708, 711-12 (N.D. Ill. 1974); *Hercules, Inc. v. Minnesota State Highway Dep't*, 337 F. Supp. 795, 798 (D. Minn. 1972); *William C. Popper & Co. v. Pennsylvania Liquor Control Bd.*, 16 F. Supp. 762, 763 (E.D. Pa. 1936); *Automobile Abstract & Title Co. v. Haggerty*, 46 F.2d 86, 87-88 (E.D. Mich. 1931); *Warren Bros. Co. v. Kibbe*, 43 F.2d 582, 584 (D. Ore. 1925)).

127. See *Florida Prepaid*, 527 U.S. at 656-67 (Stevens, J., dissenting).

128. *House PRCA Hearings*, *supra* note 125, at 22 (statement of Jeffrey M. Samuels).

129. *Florida Prepaid*, 527 U.S. at 641.

130. See *id.* at 641 n.6 (quoting *House PRCA Hearings*, *supra* note 125, at 22 (statement of Jeffrey M. Samuels, Acting Comm'r of Patents and Trademarks, U.S. Dep't of Commerce)).

131. *Id.* at 645 (quoting *City of Boerne v. Flores*, 521 U.S. 507, 526 (1997)); see also *Board of Trs. of the Univ. of Ala. v. Garrett*, 121 S. Ct. 955 (2001) (raising a similar impression).

132. *Florida Prepaid*, 527 U.S. at 643-46.

We return to the Court's proportionality analysis in Subsection II.A.4.¹³³ First, however, it will help to focus on the elements of an unconstitutional deprivation of property without due process and on the reasons that not all infringements of private intellectual property rights by states will fit that description. Unfortunately, as Richard Fallon has observed, "[d]ue process doctrine subsists in confusion."¹³⁴ We will not be able to provide definitive answers to many of the relevant issues in this area. Nonetheless, we think we can advance the ball on a number of points.

The first set of issues has to do with the intent of the infringer. The Court held in the 1986 case of *Daniels v. Williams*¹³⁵ that no constitutional violation occurs where a deprivation of life, liberty, or property is merely negligent. "Our Constitution deals with the large concerns of the governors and the governed," the Court said in *Daniels*, "but it does not purport to supplant traditional tort law in laying down rules of conduct to regulate liability for injuries that attend living together in society."¹³⁶ Thus, as Chief Justice Rehnquist summarized the law in *Florida Prepaid*, "a state actor's negligent act that causes unintended injury to a person's property does not 'deprive' that person of property within the meaning of the Due Process Clause."¹³⁷

The Patent Act, by contrast, is a strict liability statute; it defines infringement to include negligent, and even wholly inadvertent behavior.¹³⁸ "[K]nowledge and intent," as the *Florida Prepaid* majority noted, "are considered only with respect to damages."¹³⁹ The same is generally true of other federal intellectual property statutes. Both copyright¹⁴⁰ and trademark¹⁴¹ infringement, for example, are likewise

133. See *infra* text accompanying notes 188-93.

134. Richard H. Fallon, Jr., *Some Confusions About Due Process, Judicial Review, and Constitutional Remedies*, 93 COLUM. L. REV. 309, 309 (1993).

135. 474 U.S. 327 (1986).

136. *Id.* at 332.

137. *Florida Prepaid*, 527 U.S. at 645.

138. See 35 U.S.C. § 271(a) (Supp. IV 1998) (defining infringement so that "whoever without authority makes, uses, offers to sell or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent"); *Florida Prepaid*, 527 U.S. at 645 ("Actions predicated on direct patent infringement . . . do not require any showing of intent to infringe."); 5 DONALD S. CHISUM, CHISUM ON PATENTS § 16.02[2] (1978 & Supp. 2000) and cases cited therein ("One making, using or selling matter covered by a patent without authority of the owner infringes regardless of knowledge of intent.").

139. *Florida Prepaid*, 527 U.S. at 645; see 5 CHISUM, *supra* note 138, § 16.02[2] ("Knowledge and intent to infringe do affect the damages that may be recovered for [patent] infringement.").

140. See *Buck v. Jewell-LaSalle Realty Co.*, 238 U.S. 191, 198 (1931) ("Intention to infringe is not essential under the act."); 2 PAUL GOLDSTEIN, COPYRIGHT § 9.4 (2d ed. Supp. 2001) ("Someone who infringes a copyright unintentionally, and even without reason to believe he is infringing, will be liable nonetheless.").

141. See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:107 (4th ed. 2000) ("The courts have always held that proof of defendant's intent to deceive or

strict liability offenses, with intent relevant only to the question of remedies available against an infringer.¹⁴² For this reason, the copyright and trademark statutes are also likely to sweep more broadly than the Due Process Clause.

The hard question, of course, is what sort of intellectual property infringements will count as "non-negligent" for purposes of due process analysis. The question is difficult for at least two reasons. First, the Supreme Court has never decided whether conduct falling between negligent and intentional counts as a deprivation for due process purposes; it has reserved the question, for instance, whether either reckless or grossly negligent acts would constitute deprivations.¹⁴³ The trend in the lower courts, however, has been to treat recklessness or deliberate indifference (and sometimes even gross negligence) as equivalent to intentional conduct for due process purposes.¹⁴⁴

Second, and more fundamentally, it is hard to be sure precisely what "negligent" or "intentional" might mean in the intellectual property context. *Daniels* involved concepts of negligence drawn from ordinary tort law; in that case, a prison inmate claimed to have been injured when he tripped over a pillow allegedly left on the stairs by a deputy.¹⁴⁵ Precisely because intellectual property violations do not ordinarily turn on the infringer's intent, however, concepts of *mens rea* have not been fleshed out in this area of the law. Although the intellectual property statutes do take mental state into account in determining eligibility for enhanced damages¹⁴⁶ or criminal liability,¹⁴⁷ those provisions are likely to be of only limited usefulness because the "willfulness" they require is considerably stronger than the "intentionality" or at least "non-negligence" required by the Due Process Clause.

confuse is not required for infringement of a federally registered mark" or for liability based on Section 43(a) of the Lanham Act.).

142. See 17 U.S.C. §§ 405(b), 504(c)(2) (1994) (copyright); 15 U.S.C. § 1117(c)(2) (1994) (trademark counterfeiting); 3 MCCARTHY, *supra* note 141, § 23:107 ("[In trademark] [t]he intent of the defendant-infringer is relevant evidence on the issue of awarding profits and damages and the amount thereof.").

143. See, e.g., *County of Sacramento v. Lewis*, 523 U.S. 833, 863 (1998) (Scalia, J., concurring in the judgment). Throughout this Article, we use the term "non-negligent" to mean more than negligent, and sufficiently more than negligent to violate the Due Process Clause.

144. See, e.g., *Howard v. Grinage*, 82 F.3d 1343, 1350 (6th Cir. 1996) ("deprivation" may be effected by gross negligence, recklessness, or deliberate indifference); *Salazar v. Chicago*, 940 F.2d 233, 238 (7th Cir. 1991) (recklessness and deliberate indifference, but not gross negligence); see also *Torres Ramirez v. Bermudez Garcia*, 898 F.2d 224, 227 (1st Cir. 1990); *Wood v. Ostrander*, 879 F.2d 583, 587 (9th Cir. 1989); *Bass v. Jackson*, 790 F.2d 260, 263 (2d Cir. 1986).

145. *Daniels v. Williams*, 474 U.S. 327, 328 (1986).

146. See *supra* note 142.

147. 17 U.S.C. § 506(a) (1994) (copyright); 18 U.S.C. § 2320(a) (1994) (trademark counterfeiting).

Much of the controversy is likely to focus on whether the infringing state official must merely know that he has performed the infringing act (*e.g.*, a professor knowingly reproduces an article that turns out to be copyrighted); must know that his conduct involves protected property interests (*e.g.*, the professor knows the article is copyrighted); or must know that his conduct is actually legally wrongful (*e.g.*, the professor knows that his acts do not constitute fair use). The first possibility seems unlikely; many or most negligent acts are intentional in that the actor meant to perform the fateful act, even though they did not intend the harm that resulted. If a doctor inadvertently gives a patient the wrong type of blood for a transfusion, for example, we would say that he administered the blood intentionally, but was merely negligent with respect to the injury that resulted.¹⁴⁸

This leaves the other two possibilities: that intentional conduct requires merely knowledge that one is using intellectual property that belongs to another, or instead that intentionality is present only where one knows that one is committing a legal wrong by violating the owner's legal rights. This divide seems likely to be an important one, although its importance may vary across different intellectual property contexts. Patents must be applied for and issued by the government, and many potentially patentable innovations may not, in fact, be patented. Moreover, patent rights bar use even by someone who independently develops an invention covered by someone else's patent, while copyright only bars *copying* from someone else's work. Factual mistakes about whether a given innovation in fact belongs to someone else thus seem somewhat more likely in the patent context. Mistaken infringements of copyrights, on the other hand, will generally involve erroneous beliefs about, say, the scope of the fair use exception.

It is tempting to draw a sharp line between mistake of fact and mistake of law as a defense to intentionality, based on the old idea that ignorance of the law is no excuse.¹⁴⁹ Without seeking to definitively resolve the issue, however, we would suggest that it may be somewhat more complicated. First, even in criminal law, the general rule barring mistake of law as a defense is subject to several exceptions.¹⁵⁰ More importantly,

148. See, *e.g.*, W. PAGE KEETON, ET AL., PROSSER AND KEETON ON TORTS 34 (5th ed. 1984) (stating that "intent" is "a *state of mind* . . . about *consequences* of an act (or omission) and not about the act itself" (emphasis in original)).

149. Professor Meltzer seems to advocate something like this sort of line in his forthcoming article on state infringements of intellectual property rights. See Daniel J. Meltzer, *Overcoming Immunity: The Case of Federal Regulation of Intellectual Property*, 52 STAN. L. REV. (forthcoming 2001) (manuscript at 26-27, on file with authors) [hereinafter Meltzer, *Overcoming Immunity*].

150. Although no single hornbook statement on the matter has gained universal acceptance, it is useful to identify four exceptions: (1) when the offense itself provides a defense for mistake of law; (2) when the defendant acts in reasonable reliance on certain official statements of the law; (3) when the defendant's mistake pertains to a different law than the penal law that defines the elements of the

intellectual property law sometimes *does* recognize both mistake of law and mistake of fact in the context where a defendant's mental state matters, that is, in assessing willfulness for purposes of enhanced damages.¹⁵¹ If, for example, a good faith (but mistaken) belief that one has made a fair use of a copyrighted work as a matter of law can prevent one's infringement from being willful (thereby avoiding assessment of enhanced damages),¹⁵² then it is hard to categorically state that mistake of law should never be sufficient to render infringement less than "intentional."

To say this is not, of course, to say where the line should be drawn. And there are certainly good countervailing reasons to hold state governments as strictly accountable as possible, within the range of options left under *Daniels*.¹⁵³ All we can say for sure, absent further guidance from the Supreme Court,¹⁵⁴ is that *Daniels* creates a gap between the protection afforded intellectual property by federal statute and by the Due Process Clause, respectively, although the size and shape of that gap remain somewhat uncertain.

The second set of issues surrounds the state's provision of, or failure to provide, adequate remedies for its infringements. The Court has long held that "[i]n procedural due process claims, the deprivation by state action of a constitutionally protected interest in 'life, liberty, or property' is not in itself unconstitutional; what is unconstitutional is the deprivation of such an interest *without due process of law*."¹⁵⁵ The *Florida Prepaid* Court thus held that "only where the State provides no remedy, or only inadequate remedies, to injured patent owners for its infringement of their patent could a deprivation of property without due process result."¹⁵⁶ If

offense; and (4) when, under the principles of *Lambert v. California*, 355 U.S. 225 (1957), refusal to recognize a mistake of law defense would violate due process. See, e.g., JOSHUA DRESSLER, UNDERSTANDING CRIMINAL LAW 147-57 (2d ed. 1995) (presenting a mostly similar categorization).

151. See *supra* note 142.

152. See, e.g., 2 GOLDSTEIN, *supra* note 140, § 12.2.1.2.a, at 12:42 ("Reliance—albeit ultimately incorrect—on the often unpredictable fair use defense will support an argument that infringement was not willful."); Princeton Univ. Press v. Michigan Document Serv., Inc., 99 F.3d 1381, 1392 (6th Cir. 1996) (holding that defendants' belief that their copying constituted fair use was not so unreasonable as to bespeak willfulness).

153. Professor Meltzer has pointed out, for example, that the *Daniels* Court restricted "deprivations" of due process to exclude negligence primarily to avoid federalizing state tort law. See *Daniels*, 474 U.S. at 332. Intellectual property law, of course, is already federalized and this concern therefore does not arise. See Meltzer, *Overcoming Immunity*, *supra* note 149, at 27 n.68. However, a related concern—the desire to avoid constitutionalizing statutory rights—might be relevant.

154. The lower courts have gone in different directions in non-intellectual-property cases raising similar issues, although there seem to be somewhat more decisions rejecting the idea that mistake of law would render a state actor's action negligent for due process purposes. See Meltzer, *Overcoming Immunity*, *supra* note 149, at 27 (collecting a few cases).

155. *Zinerman v. Burch*, 494 U.S. 113, 125 (1990); see also *Parratt v. Taylor*, 451 U.S. 527, 537 (1981) (same).

156. *Florida Prepaid*, 527 U.S. at 643.

a state *does* provide adequate remedies for a deprivation of property, that is all the process that is “due.”¹⁵⁷

Unfortunately, the Supreme Court has never made clear what state remedies are considered “adequate” for due process purposes.¹⁵⁸ Two distinct issues are important here. First, to what extent *must* a state be willing to hear claims for infringement of intellectual property interests, and what sort of defenses can states interpose to such claims? It is difficult to say anything definitive on this question. On the one hand, well-established lines of authority suggest that due process requires certain basic incidents, such as a right to be heard,¹⁵⁹ and that compensatory remedies may be required in certain circumstances.¹⁶⁰ On the other, it is equally clear that the failure of a state to provide compensation for every injury to life, liberty, or property will not, in itself, render the state’s remedial scheme “inadequate” for constitutional purposes. As Richard Fallon has pointed out, “a variety of doctrines frequently poses obstacles to the award of particular remedies and sometimes may preclude any remedy at all.”¹⁶¹

At a minimum, a state seems free to interpose the same sorts of defenses that might be available in actions under 42 U.S.C. § 1983; the

157. Many procedural due process cases raise the additional issue of whether the state must provide procedures *prior* to the deprivation of a liberty or property interest—*e.g.*, whether a state university must provide a hearing before dismissing a professor. *See, e.g.*, *Board of Regents v. Roth*, 408 U.S. 564 (1972). The Court has thus developed a complicated jurisprudence concerning when *predeprivation* procedures are required, on the one hand, and when *postdeprivation* remedies are sufficient to satisfy due process. *See, e.g.*, *Parratt v. Taylor*, 451 U.S. 527 (1981) (holding that where a prison inmate was “deprived” of his property interest in a hobby kit by a guard, a *postdeprivation* remedy in the form of a tort suit against the guard under state law was sufficient to satisfy due process). Those issues are—happily—largely not implicated here, because the statutory remedies that the Leahy Bill seeks to restore are, by and large, *postdeprivation* remedies. *See infra* text accompanying notes 252-58. We thus deal instead with the Due Process Clause’s more basic admonition that *some* remedy be provided when state actors deprive persons of their life, liberty, or property, *see* Fallon, *supra* note 134, at 329, as well as the more complicated question of what remedies are considered “adequate,” *see generally* Maria L. Marcus, *Wanted: A Federal Standard for Evaluating the Adequate State Forum*, 50 MD. L. REV. 131, 164-88 (1991).

158. *See id.* at 166 (observing that, in *Parratt*, “the Justices created no standard to inform district courts as to how carefully they should look for a meaningful state remedy or how to measure the adequacy of state compensation”).

159. *See, e.g.*, *Goldberg v. Kelly*, 397 U.S. 254 (1970) (holding that due process required an evidentiary hearing prior to the termination of welfare benefits); *Mathews v. Eldridge*, 424 U.S. 319 (1976) (establishing a balancing test to determine what process is due). The Court indicated that the *Mathews* test governs in the constitutional tort context in *Zinermon v. Burch*, 494 U.S. 113, 128 (1990).

160. *See, e.g.*, *McKesson Corp. v. Division of Alcoholic Beverages and Tobacco*, 496 U.S. 18 (1990) (holding that the Due Process Clause required a refund procedure for taxes collected under an unconstitutional tax law); *Reich v. Collins*, 513 U.S. 106 (1994) (further holding that the obligation to provide a compensatory remedy recognized in *McKesson* trumps state sovereign immunity); *see also* Fallon, *supra* note 134, at 338; HART & WECHSLER, *supra* note 89, at 847-57.

161. Fallon, *supra* note 134, at 337; *see also id.* at 338 (concluding that “*Marbury*’s promise of a remedy for every rights violation is better viewed as a flexible normative principle than as an unbending rule of constitutional law”).

state's decision to clothe its officials with qualified immunity, for instance, will not render a state remedy inadequate for due process purposes.¹⁶² At the other extreme, it is hard to see the Court upholding state remedies as "adequate" if the state has asserted broader immunities that prevent *any* compensatory recovery for the deprivation of a federal right—such as a blanket assertion of sovereign immunity on behalf of the state itself *and* an absolute immunity for state officials.¹⁶³ That would render *Florida Prepaid's* discussion of the adequacy of state remedies hollow indeed.¹⁶⁴

The second issue involves the particular remedies that states must provide—*e.g.*, preliminary injunctions, attorneys' fees—as well as the measure of compensation that the state must allow. The short answer here is that state remedies may be "adequate" even if they are not as attractive as federal ones; as Professor Marcus has observed, for example, "the Justices have not routinely required that state and federal compensation levels match."¹⁶⁵ Because this question is central to assessing the remedies that the States would likely be forced to provide in response to the Leahy Bill's abrogation provisions, we discuss it at much greater length in Section II.C, below.¹⁶⁶ For present purposes, however, the critical point is that a state's refusal to consent to suit under the federal intellectual property statutes, with all the remedies available therein, is not itself sufficient to show a violation of the Due Process Clause.

3. *State Infringements as Takings.*—The College Savings Bank also advanced a second theory of constitutional violation in *Florida Prepaid*, arguing that the state's infringement of its patent amounted to a taking of its property without just compensation in violation of the Fifth and Fourteenth Amendments.¹⁶⁷ The Court refused to consider this argument on the ground that Congress had not expressly indicated that it was resting the PRCA on the Takings Clause.¹⁶⁸ The Leahy Bill, however, explicitly

162. See *id.* at 356 ("It seems unthinkable . . . that a state should have to furnish broader remedies for its officials' torts than would be available under the immunity doctrines applicable to constitutional actions in federal court."). On qualified immunity, see *infra* Section III.B.

163. Cf. *Alden v. Maine*, 527 U.S. 706 (1999) (holding that Congress may not abrogate a state's sovereign immunity in its own courts).

164. Cf. Fallon, *supra* note 134, at 357 (arguing that the ultimate question is whether "the overall scheme of remedies [is] adequate to keep government, on the whole, acceptably within the bounds of law").

165. See Marcus, *supra* note 157, at 166-67.

166. See *infra* Subsections II.C.2 through II.C.4; see also *infra* text accompanying notes 640-46 (discussing the extent to which the remedial requirements of international intellectual property agreements may track the requirements of due process).

167. See *Florida Prepaid*, 527 U.S. at 641-42.

168. See *id.* at 642 n.7. By contrast, Congress had expressly invoked its authority under Article I and the Due Process Clause. See *id.*

relies on the Takings Clause,¹⁶⁹ and a number of commentators have urged that Clause as a constitutional basis for relief in cases of governmental infringement.¹⁷⁰ We thus consider the Takings Clause here as an alternative constitutional basis for abrogation.

We have already discussed the first step in establishing a takings claim—that is, showing that patents, copyrights, and other forms of federal intellectual property are “property” in the constitutional sense.¹⁷¹ The next question is which uses of such property by a state will constitute a “taking” of such property. Because states were, until very recently, generally held to be subject to federal suits for intellectual property infringement and because the United States has long directly subjected itself to certain remedies for infringement claims, the question has rarely arisen and existing case law provides no clear answers. Three issues are of primary importance.

The first and most difficult question involves determining whether government uses of intellectual property should be analyzed under the case law that has developed with respect to takings by means of the possession or physical occupation of an owner’s property¹⁷² or under the law governing “regulatory” takings, that is, takings that occur when a law or regulation interferes with the economic exploitation of the owner’s property.¹⁷³ As Professor Cotter has observed, the issue is basically whether “the government’s use of intellectual property without the owner’s consent is more analogous to the imposition of an easement over real property than to the regulation of the use or enjoyment of real property.”¹⁷⁴ Commentators addressing the issue have not reached firm or uniform conclusions.¹⁷⁵ We do not propose to try to resolve this

169. See, e.g., S. 1835, 106th Cong. § 2(a)(11) (1999) (finding that recent Supreme Court immunity decisions may deprive intellectual property owners of constitutional rights under the Fifth Amendment), § 201 (proposed 35 U.S.C. § 296(b)(2)(A)) (providing remedies when a state, in violation of the Fifth Amendment, “takes” any of the rights of exclusion secured by substantive patent law).

170. See, e.g., Kwall, *supra* note 119, at 228; Heald & Wells, *supra* note 116, at 864-73; Cotter, *supra* note 116, at 565-68; Bohannon & Cotter, *supra* note 74, at 1458-60; Ghosh, *supra* note 116, at 641.

171. See *supra* Subsection II.A.1.

172. See, e.g., *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (1982) (holding that physical occupations, no matter how small, always require compensation).

173. See, e.g., *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 414-15 (1922) (“The general rule at least is, that while property may be regulated to a certain extent, if a regulation goes too far it will be recognized as a taking.”).

174. Cotter, *supra* note 116, at 559.

175. See Heald & Wells, *supra* note 116, at 867 (“We think that, rather than trying to shoehorn intellectual property as a whole into one category or the other, a better approach is to examine the circumstances of particular cases. Sometimes the policies of takings law will be better served by using principles developed in the possessory context; sometimes a regulatory focus will be appropriate.”);

question here. For our purposes, it is sufficient to note that the resolution of the question will determine whether state uses of intellectual property that constitute infringement under the federal statutes will usually, sometimes, or rarely constitute takings.¹⁷⁶

Second, even where a state official uses a private party's intellectual property in a way that is deemed to constitute a taking, the state will not be liable to pay just compensation to the owner if the state official acted without authorization.¹⁷⁷ The Takings Clause "is directed against the government, and not against individual or public officers proceeding without the authority of legislative enactment."¹⁷⁸ As a result, if the state official who commits the act of infringement acted without express or implied authorization,¹⁷⁹ the act of infringement would not be attributable to the state as a taking (though the intellectual property owner would presumably have a statutory or due process claim against the official in her personal capacity). In the context of takings by federal officials, the Supreme Court has declined to decide "what types of official authorization, if any, are necessary to create federal liability under the Fifth Amendment."¹⁸⁰ The District of Columbia Circuit, however, has held, sitting en banc, that if an official's acts are "the natural consequence of congressionally approved measures or the result of an exercise of discretion granted to an official for the implementation of a congressional statute" then a takings claim can be brought against the United States.¹⁸¹

Although it might be possible to read this formulation more narrowly, this language suggests that the relevant question is whether the state officer who carried out the act asserted to be a taking was acting within the scope of his lawfully delegated authority.¹⁸² If the law were otherwise—that is,

Cotter, *supra* note 116, at 562, 565 (supporting the view that "all or most [government] interferences with the right to exclude others from one's intellectual property constitute takings" but noting that "the absence thus far of a significant body of case law attempting to negotiate among the various strands of the doctrine means that the only government uses one can be certain will qualify as takings are those few which deprive the owner of virtually all of the property's value").

176. For a helpful discussion, see *id.* at 538-65.

177. See generally Matthew D. Zinn, Note, *Ultra Vires Takings*, 97 MICH. L. REV. 245 (1998).

178. *Hooe v. United States*, 218 U.S. 322, 335-36 (1910) (footnote omitted).

179. See *id.* at 336 (noting that an officer could be authorized "expressly or by necessary implication").

180. *Presault v. ICC*, 494 U.S. 1, 13 (1990).

181. *Ramirez de Arellano v. Weinberger*, 745 F.2d 1500 (D.C. Cir. 1984) (en banc), *vacated on other grounds*, 471 U.S. 1113 (1985). For a detailed discussion of this opinion, and the dissenting position by then-Judge Scalia, see Bohannon & Cotter, *supra* note 74, at 1475-77.

182. This principle emerges even more clearly from then-Judge Scalia's panel opinion in *Ramirez*. Judge Scalia wrote that a taking is authorized if the official "is acting within the normal scope of his duties (a concept akin to, though not as liberal as, the 'scope of employment' test for application of the doctrine of respondeat superior in private law)." 724 F.2d 145, 151 (D.C. Cir. 1983), *rev'd*, 745 F.2d 1500 (D.C. Cir. 1984) (en banc), *vacated on other grounds*, 471 U.S. 1113 (1985). The primary

if a specific grant of *eminent domain* authority to a particular officer or agency were required—then a state could easily insulate itself from takings liability simply by refusing to grant eminent domain power to the vast majority of its minions.¹⁸³ Many infringements committed by state officials—for example, a state university professor photocopying a copyrighted article to distribute to her class, a state prison employee showing a videotape of a copyrighted film to a group of inmates, or a state office manager using an unauthorized copy of a patented computer program—might well be found to be authorized by state law as within the scope of the officer's lawfully delegated authority. That conclusion would likely change, however, if the relevant state institution has an intellectual property compliance policy forbidding its officers to violate federal law. Courts have suggested that a "specific limitation on the agent's authority" can defeat takings liability even if the relevant act is otherwise within the officer's delegated authority.¹⁸⁴ Hence, an intellectual property policy might "carve out" the authority to commit infringing acts from the state official's more general powers.¹⁸⁵ To the extent state agencies adopt such policies, then, the authorization requirement may further limit the number of infringing acts that will give rise to a viable takings claim.

Finally, as with the procedural due process theory discussed in the previous subsection, a violation of the Takings Clause is not complete when the state intrudes upon a property interest. The Court has observed that "[t]he Fifth Amendment does not proscribe the taking of property; it proscribes taking without just compensation."¹⁸⁶ As a result, "if a State provides an adequate procedure for seeking just compensation, the property owner cannot claim a violation of the Just Compensation Clause until it has

difference between Judge Scalia and the en banc majority seems to have involved application of these principles to the particular facts of the case.

183. See Zinn, *supra* note 177, at 246 n.4; see also Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1016 n.19 (1984) (noting that the EPA had the relevant authority to incur takings liability without inquiring whether it had eminent domain power); Portsmouth Harbor Land & Hotel Co. v. United States, 260 U.S. 327, 330-31 (1922) (Holmes, J.) (arguing courts should focus on authorization for the challenged act, not eminent domain authority).

184. Ramirez, 724 F.2d at 151 (quoting Larson v. Domestic & Foreign Commerce Corp., 337 U.S. 682, 701 n.24 (1949)); see also Bohannon & Cotter, *supra* note 74, at 1476-77.

185. The Leahy Bill may impose a similar requirement through its "preemption" provisions, which forbid the states to engage in activities that violate federal intellectual property rights. S. 1835, 106th Cong. § 201 (1999) (amending 35 U.S.C. § 296(c)). As we discuss further in Subsection II.C.3, this provision is designed to protect the availability of *injunctive* relief against state officers. Ironically however, it might undermine *compensatory* takings relief by overriding the authorization required to effect a taking. Because we suggest in Subsection II.C.3 that the preemption provision is unnecessary, we do not pursue this problem further here.

186. Williamson County Reg'l Planning Comm'n v. Hamilton Bank of Johnson City, 473 U.S. 172, 194 (1985); see also Hodel v. Virginia Surface Mining & Reclamation Ass'n, Inc., 452 U.S. 264, 297 n.40 (1981) (same).

used the procedure and been denied just compensation."¹⁸⁷ Whether an infringement of intellectual property rights works a taking thus cannot be evaluated in isolation from the remedial scheme (if any) that the infringing state has in place.

To summarize, state infringements of patents, copyrights, and trademarks are likely in some cases to constitute takings of intellectual property that will require the state to pay just compensation to the rightsholders. The state's obligation to compensate the property owner is one that Congress can enforce under Section Five. What is far from clear at the present time is how often and under what circumstances an act of infringement will qualify as a taking.

4. *Florida Prepaid's Proportionality Analysis and Two Forms of Abrogation.*—Our analysis in the previous three subsections suggested two fundamental points: First, most intellectual property is "property" for purposes of the Constitution, and Congress may use the Section Five power to safeguard that property from deprivations without due process of law and takings without just compensation. Second, however, the Constitution protects intellectual property in a considerably narrower range of circumstances than do the relevant federal statutes. The Due Process Clause does not reach negligent deprivations, and the Takings Clause does not reach unauthorized intrusions; neither clause, moreover, is violated so long as the state provides an adequate remedy.

This "gap" between the respective coverage of the Constitution itself and the patent statutes for which the PRCA abrogated state sovereign immunity was critical in *Florida Prepaid*. Although the Court has repeatedly said that Congress may proscribe, as a prophylactic measure, some amount of conduct that is not actually unconstitutional,¹⁸⁸ the critical question is whether the proportion of proscribed conduct that is actually unconstitutional is large compared to the proportion of proscribed conduct that is not unconstitutional.¹⁸⁹ The over-inclusiveness of the PRCA in relation to the actual constitutional violations it sought to remedy thus doomed the statute. The Court observed that "the evidence before Congress suggested that most state infringement was innocent or at worst

187. *Williamson County*, 473 U.S. at 195.

188. *See City of Boerne v. Flores*, 521 U.S. 507, 518 (1997) ("Legislation which deters or remedies constitutional violations can fall within the sweep of Congress' enforcement power even if in the process it prohibits conduct which is not itself unconstitutional and intrudes into legislative spheres of autonomy previously reserved to the States.") (internal quotation marks omitted).

189. *See Laycock, Conceptual Gulfs*, *supra* note 11, at 746 ("The proportionality part of this standard seems to require an empirical judgment: Congressional enforcement legislation is valid only if violations of the Constitution, as interpreted by the Court, appear in a sufficiently large proportion of all cases presenting violations of the statute.").

negligent"¹⁹⁰—conduct that would violate the patent laws but not the Due Process Clause. Similarly, the Court emphasized that “Congress . . . barely considered the availability of state remedies for patent infringement and hence whether the States’ conduct might have amounted to a constitutional violation under the Fourteenth Amendment.”¹⁹¹

To be sure, the Court’s discussion of the infrequency of state patent infringement might suggest some general quantitative concern with the frequency of state constitutional violations. But the Court’s analysis ultimately focused on questions of fit—that is, the *proportion* of patent infringements that violated the Constitution, regardless of the raw numbers involved. The Court did *not* say, for example, that Congress had no business legislating in this area at all given the low incidence of state infringement. Rather, the Court emphasized Congress’s failure to confine the reach of the statute to the narrow constitutional problem before it:

Congress did nothing to limit the coverage of the Act to cases involving arguable constitutional violations, such as where a State refuses to offer any state-court remedy for patent owners whose patents it had infringed. Nor did it make any attempt to confine the reach of the Act by limiting the remedy to certain types of infringement, such as nonnegligent infringement or infringement authorized pursuant to state policy; or providing for suits only against States with questionable remedies or a high incidence of infringement.¹⁹²

This reasoning strongly suggests that Congress may legislate even to correct constitutional violations that occur very infrequently so long as the remedy provided is narrowly targeted at those violations.¹⁹³ It is hard to imagine, for example, that Congress could not pass a statute outlawing some particularly egregious form of state racial discrimination—say, de jure racial segregation in public schooling or employment—simply because that form of discrimination hardly ever occurs any more.

Florida Prepaid’s analysis suggests two different approaches that Congress might take to abrogation. The first, which we consider in Section II.B below, would be to renew the “across-the-board” abrogation of the PRCA, TRCA, and CRCA—that is, to abrogate state sovereign immunity in every instance in which a state violates the federal intellectual

190. *Florida Prepaid*, 527 U.S. at 645.

191. *Id.* The Court was not impressed by the fact that state remedies “were less convenient than federal remedies, and might undermine the uniformity of patent law.” *Id.* These considerations, the Court said, “belong[] to the Article I patent-power calculus, rather than to any determination of whether a state plea of sovereign immunity deprives a patentee of property without due process of law.” *Id.* We discuss the uniformity point further *infra* in Section II.D.

192. *Id.* at 646-47.

193. See *Meltzer Testimony*, *supra* note 87, at 4-5.

property laws. Any effort to renew this “across-the-board” strategy would have to be supported by an exhaustive inquiry into state intellectual property violations that was lacking in *Florida Prepaid*. Such a record might focus, for example, on the incidence of state violations that do not show up in reported cases or the likelihood that state violations will increase in the future as a result of *Florida Prepaid*’s clarification of the immunity issue. The critical task would be to demonstrate that a suitably large proportion of such violations were actually unconstitutional because they were committed non-negligently and without recourse under state law.

A second approach, which we consider in Section II.C below, would involve what we call “case-by-case abrogation”—that is, an abrogation statute that makes the presence of an actual constitutional violation a prerequisite for state damages liability in each individual case. A state would be entitled to stand on its immunity, in other words, unless the plaintiff could make a preliminary showing that the state non-negligently violated the plaintiff’s intellectual property rights and that state law provides no adequate remedy. As our discussion in the next two sections will make clear, we think the latter approach is far more likely to succeed. Nonetheless, both are worth considering.

B. *Building a Better Record for Across-the-Board Abrogation*

Florida Prepaid is only one of a number of recent decisions in which the validity of a federal statute has (at least arguably) turned on the nature and contents of the legislative record compiled by the enacting Congress. Most famously, the majority justices in *United States v. Lopez*¹⁹⁴ emphasized the lack of legislative findings concerning the impact of guns in schools on interstate commerce as one reason for holding that the federal Gun Free School Zones Act exceeded Congress’s Commerce Power.¹⁹⁵ Other important examples have occurred under the First Amendment, where the Court has carefully scrutinized the justification for restrictions on free speech in terms of the evidence considered by Congress.¹⁹⁶ And *Florida Prepaid*’s close look at the legislative record finds strong support

194. 514 U.S. 549 (1995).

195. *Id.* at 562-63. Although all justices agreed that the presence or absence of findings should not be dispositive, *see, e.g., id.* at 562 (majority opinion); *id.* at 612 (Souter, J., dissenting); *id.* at 617 (Breyer, J., dissenting), the lack of findings seem to have played a non-trivial role. *But see* *United States v. Morrison*, 529 U.S. 598 (2000) (downplaying the importance of legislative findings).

196. *See, e.g., Denver Area Educ. Telecomm. Consortium, Inc. v. FCC*, 518 U.S. 727, 760 (1996) (finding “the record before Congress” insufficient to support restricting minors’ access to indecent programming); *Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 666 (1994) (reviewing Congress’s legislative finding to determine whether “Congress has drawn reasonable inferences based on substantive evidence”); *see also* Stuart M. Benjamin, *Proactive Legislation and the First Amendment*, 99 MICH. L. REV. 281 (2000).

in *City of Boerne* itself, which also carefully canvassed the evidence developed by the various legislative committees that considered the RFRA.¹⁹⁷ These decisions might suggest that proponents of a new "across-the-board" abrogation proposal might succeed where the PRCA failed simply by doing a better a job of documenting the need for legislation, even if the underlying statutory provisions did not differ much from the provisions struck down in *Florida Prepaid*.¹⁹⁸

Congress's best chance to document the need for abrogation may be in the area of copyright. There is currently more evidence of copyright infringement by states than there is of patent or trademark infringement. At least one court has noted that the existing legislative record for the CRCA—the copyright-law parallel of the PRCA—was more substantial than that for the PRCA.¹⁹⁹ This finding suggests that Congress has a stronger base to start from in building a record to support abrogation in the copyright field.

It may also be easiest for Congress to build on that base because copyright infringement is likely to be the most pervasive kind of intellectual property infringement on the part of states. Substantially more copyrights exist than patents or trademarks,²⁰⁰ and many ordinary activities are likely to constitute copyright infringement. By contrast, patent infringement typically involves making, using, or selling a patented invention,²⁰¹ and trademark infringement generally requires using another party's trademark on one's own goods or services in a manner that is likely

197. See *City of Boerne v. Flores*, 521 U.S. 507, 530-31 (1997); see also Laycock, *Conceptual Gulfs*, *supra* note 11, at 774-79 (discussing the rationales that shaped the legislative record underlying RFRA).

198. For criticism of the Court's recent tendency to scrutinize the legislative record, see A. Christopher Bryant & Timothy J. Simeone, *Remanding to Congress: The Supreme Court's New "On the Record" Review of Federal Statutes*, 86 CORNELL L. REV. 328 (2001).

199. See *Chavez v. Arte Publico Press*, 204 F.3d 601, 605-06 (5th Cir. 2000); see also *Florida Prepaid*, 527 U.S. at 658 n.9 (Stevens, J., dissenting) (making a similar observation).

200. Copyright exists in any tangibly fixed, independently created work of authorship that is minimally creative. 17 U.S.C. § 102(a) (1994). Copyright thus covers not only works typically thought of as copyrightable—for example, books, periodicals, films, plays, songs, paintings, and photographs—but also a great variety of other materials—for example, letters, publicity brochures, computer software, buildings, and Internet Web sites. Under current law, copyright protects those works for a very long time—often around 100 years. See 17 U.S.C. § 302(a), (c) (Supp. IV 1998) (prescribing basic copyright terms of author's life plus 70 years and 95 years from publication).

By contrast, patents exist only where an applicant has convinced the U.S. government to affirmatively grant exclusive rights over a product or process that is novel and nonobvious, and patent rights last for approximately 20 years. See 35 U.S.C. §§ 101-103, 111 (1994 & Supp. IV 1998) (outlining the requirements for applying for and obtaining a patent); 35 U.S.C. § 1541(a)(2) (1994) (prescribing basic patent term). Trademark rights exist only where someone has used a symbol in commerce to identify the source of goods or services. See 15 U.S.C. § 1127 (1994 & Supp. IV 1998) (defining "trademark" and "service mark").

201. 35 U.S.C. § 271(a) (Supp. IV 1998).

to confuse consumers.²⁰² While states clearly do sometimes engage in these activities,²⁰³ they seem likely to do so with less frequency than they will engage in the reproduction and distribution of copyrighted material, especially given the easy availability of reproduction technology today.²⁰⁴ State universities in particular are likely to be subject to claims of widespread copyright infringement for such extremely common activities as photocopying, musical and dramatic performances, and providing Internet connections to students and faculty. Thus, in determining whether Congress can build a better record, we focus on the evidence regarding state copyright infringement.²⁰⁵

As noted above, the *Florida Prepaid* majority found the legislative record inadequate to support the PRCA for two main reasons. First, the Court said, "Congress came up with little evidence of infringing conduct on the part of the States."²⁰⁶ Second, the Court concluded that whatever evidence of infringement Congress had heard was not directed particularly to state infringements rising to the level of constitutional violations that Congress can remedy under Section Five. The Court expressed particular concern that "Congress . . . barely considered the availability of state remedies for patent infringement," and "did not focus on instances of intentional or reckless infringement" that would constitute "deprivations" of property under the Due Process Clause.²⁰⁷

Given these objections by the Court, the question of whether Congress could today build a legislative record that would support an across-the-board abrogation of state sovereign immunity cannot turn simply on the raw number of state infringements. Rather, Congress must focus on two additional questions. First, does the evidence show that a significant proportion of infringements are non-negligent, thus rising to the level of a possible constitutional violation? And second, does the evidence show

202. See 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A) (1994).

203. See, e.g., *Florida Prepaid*, 527 U.S. at 640 (involving allegations that a state infringed a patent by operating a program for saving for college expenses); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999) (deciding whether a state tourism authority diluted "THE GREATEST SHOW ON EARTH" trademark by using the slogan "THE GREATEST SNOW ON EARTH" in promoting tourism); *Hercules, Inc. v. Minnesota State Highway Dep't*, 337 F. Supp. 795 (D. Minn. 1972) (involving allegations that a state was infringing on the plaintiff's patented process of spraying rights-of-way for weed and pest control). States may, however, increasingly engage in activities that infringe patents as the scope of patent protection expands to include business methods and computer software.

204. Indeed, reproduction and distribution are only two forms of copyright infringement; states can also infringe by publicly performing or publicly displaying copyrighted works, or by preparing derivative works based on copyrighted works. 17 U.S.C. § 106(1)-(6) (1994).

205. The General Accounting Office is currently conducting a study of the extent of state infringement of intellectual property rights generally. See *infra* note 219. Unfortunately, the results of that study are unavailable as this Article goes to press.

206. *Florida Prepaid*, 527 U.S. at 640.

207. *Id.* at 647.

that states do not provide intellectual property owners with adequate remedies for such non-negligent state infringements? It is hard to get a feel for the *proportion* of all state copyright infringements that is non-negligent and unremedied without knowing how much total state infringement occurs, however, so we begin with that question.

1. *What Evidence of State Infringement Exists?*—As we have suggested, any attempt to build a better record confronts not only a question of raw numbers—how often do states infringe?—but also a question of proportion—how much of that infringement is actually unconstitutional? We have argued that the latter question is by far the more important. Nonetheless, there is no denying that a majority of the Supreme Court continues to suggest that the raw numbers are relevant as well.²⁰⁸ On that question, for whatever it may be worth, the existing CRCA record contains somewhat more evidence of copyright infringement on the part of the states than the PRCA record contains of patent infringement.

A 1988 study by the Copyright Office²⁰⁹ reported five comments from copyright proprietors “document[ing] actual problems faced in attempting to enforce their claims against state government infringers.”²¹⁰ In addition, the report surveyed five then-recently decided cases in which federal courts had upheld state assertions of Eleventh Amendment immunity for damage claims in copyright infringement actions.²¹¹ The report thus presented at least ten examples of alleged copyright infringements, some of them recurring violations, by various state entities. In addition,

208. See *Board of Trs. of the Univ. of Ala. v. Garrett*, 121 S. Ct. 955 (2001). None of the cases confronted by the Court so far, however, has required it to *choose* between an interpretation of Section Five resting on raw numbers and one focused on the proportion of actual constitutional violations.

209. REGISTER OF COPYRIGHTS, U.S. COPYRIGHT OFFICE, COPYRIGHT LIABILITY OF STATES AND THE ELEVENTH AMENDMENT: A REPORT OF THE REGISTER OF COPYRIGHTS (1988). The study was made at the request of the Subcommittee on Courts, Intellectual Property, and the Administration of Justice of the House Committee on the Judiciary.

210. *Id.* at 7. Such comments include allegations that state correctional institutions publicly performed motion pictures, that a county college publicly performed musical compositions, and that a state nursing home copied and sold copyrighted educational materials for nursing education courses. *Id.* at 7-8.

211. *Id.* at 92-97. Those cases involved a variety of alleged infringements, including copying by state universities (using copyrighted architectural plans to build student housing without permission, using copyrighted photographs in university promotional literature without authorization, and copying computer software without permission) and by state tourism and development authorities. *Id.* (discussing *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir. 1987); *Woelffer v. Happy States of America, Inc.*, 626 F. Supp. 499 (N.D. Ill. 1985); *Cardinal Indus., Inc. v. Anderson Parrish Assoc., Inc.*, 230 U.S.P.Q. 678 (M.D. Fla. 1986), *aff'd*, 811 F.2d 609 (11th Cir. 1987); *Richard Anderson Photography v. Radford Univ.*, 633 F. Supp. 1154, (W.D. Va. 1986) *aff'd in part, rev'd in part sub nom.* *Richard Anderson Photography v. Brown*, 852 F.2d 114 (4th Cir. 1988); *BV Eng'g v. UCLA*, 657 F. Supp. 1246 (C.D. Cal. 1987), *aff'd*, 858 F.2d 1394 (9th Cir. 1988)).

in hearings on the CRCA bills,²¹² witnesses offered additional allegations of copyright infringement by state actors,²¹³ though other witnesses disputed the extent of those occurrences.²¹⁴ The CRCA record thus did contain evidence suggesting the occurrence of more copyright infringement by states than the PRCA record contained concerning state patent infringement, though the great bulk of the testimony focused on potential future infringement, as was the case in the record supporting the PRCA.²¹⁵

It does not appear that developments since the enactment of the CRCA would document with any greater certainty a higher incidence of state copyright infringement. The Register of Copyrights recently testified before Congress that "the extent of State infringements is largely unknown at this time"²¹⁶ In addition, several associations of copyright owners contacted in the course of our research could not provide any

212. *Copyright Remedy Clarification Act and Copyright Office Report on Copyright Liability of States: Hearings on H.R. 1131 Before the Subcomm. on Courts, Intellectual Property, and the Administration of Justice of the House Comm. on the Judiciary*, 101st Cong. (1989) [hereinafter *House CRCA Hearings*]; *Copyright Clarification Act: Hearings on S. 497 Before the Subcomm. on Patents, Copyrights, and Trademarks of the Senate Comm. on the Judiciary*, 101st Cong. (1989) [hereinafter *Senate CRCA Hearings*].

213. See *Senate CRCA Hearings*, *supra* note 212, at 69-70, 77 (statement of the Copyright Remedies Coalition); *id.* at 82 (statement of Robert A. Schmitz); *id.* at 95, 106 (statement of David Eskra).

214. For example, with respect to a state correctional institution that was sued for publicly performing rented videocassettes without permission, the state reportedly responded to the suit not only by asserting sovereign immunity in court but also by obtaining a license from the copyright owners to continue its public performances. *Id.* at 113, 123 (statement of August W. Steinhilber); see also *House CRCA Hearings*, *supra* note 212, at 167; *id.* at 139-50 (statement of Bert P. van den Berg); *id.* at 167-76 and 180-86 (statement of Allen Wagner).

215. Representatives of the Copyright Office focused largely on predicted harms. See, e.g., *Senate CRCA Hearings*, *supra* note 212, at 7-8 (statement of the Register of Copyrights); *House CRCA Hearings*, *supra* note 212, at 6-7; *id.* at 48 (statement of Dorothy Schrader, chief counsel, Copyright Office). Comments from representatives of copyright owners similarly focused primarily on anticipated harms from successful state assertion of Eleventh Amendment immunity. See, e.g., *Senate CRCA Hearings*, *supra* note 212, at 51 (statement of James L. Healy, Jr.); *id.* at 68, 70 (statement of Copyright Remedies Coalition); *id.* at 87 (statement of Robert A. Schmitz); *id.* at 109 (statement of David Eskra). As with the PRCA, even the sponsor of the CRCA, Rep. Kastenmeier, focused on what he called the "obvious" and "enormous" potential harm, and summarized the Register's evidence as showing that "thus far there have not been any significant number of wholesale takings of copyright rights by States or State entities, although there may have been some instances." *House CRCA Hearings*, *supra* note 212, at 48. Even with respect to prospective state infringements, the evidence was not overwhelming that states would generally not respect copyright if they were immune from monetary damage suits; indeed, the Register of Copyrights predicted the opposite: "I suspect that they will continue to respect the law." *Senate CRCA Hearings*, *supra* note 212, at 8; see also *House CRCA Hearings*, *supra* note 212, at 8, 49, 53; *id.* at 239 (statement of Computer and Business Equipment Manufacturers Association).

216. *State Sovereign Immunity and Protection of Intellectual Property: Hearing Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 106th Cong. 23 (2000) (prepared statement of Marybeth Peters, Register of Copyrights, Copyright Office of the United States, Library of Congress).

official figures on actual or estimated incidents of copyright infringement by states.²¹⁷ This lack of information may well be understandable: interested parties had little reason to keep track of incidents of state infringement until states succeeded in asserting sovereign immunity from claims for monetary damages for copyright infringement.²¹⁸ Nonetheless, this understandable lack of *current* statistics on the frequency of alleged state infringement will likely hamper Congress in providing the evidentiary underpinning needed to justify an across-the-board abrogation at this time.²¹⁹

2. *Does Evidence of Non-Negligent Infringement Exist?*—Regardless of how often states infringe intellectual property, the critical question in justifying across-the-board abrogation, we have suggested, is one of proportionality—whether a sufficiently large percentage of those infringements amounts to constitutional violations. With respect to due process violations, Congress would have to ask whether the infringements amounted to a deprivation of the plaintiff's property and whether the state provided the plaintiff with due process for the deprivation. This subsection focuses on the question of when state infringements constitute deprivations of property, and the following subsection takes up the question of whether states provide copyright owners with constitutionally adequate process.

217. Representatives of the Business Software Alliance, the Association of American Publishers, the New York Intellectual Property Law Association, the Intellectual Property Owners Association, ADAPSO (The Computer Software and Services Industry Association), and the Graphics Art Guild were unable or unwilling to provide any statement about the extent of alleged copyright infringement by state entities. Keith Kupferschmid, intellectual property counsel for the Software and Information Industry Association, did provide the following information:

[B]ased on a cursory review of the files to date, we have at least 100 reported cases of copyright infringement involving software products by state entities over the last five years. I provide this number only to give you a ballpark figure—it is not official by any means. Also, remember that we would only have limited info since (1) we are but one trade association; (2) we are not aware of all acts of piracy taking place; (3) in the past the law has acted as a deterrent to infringement by state entities; (4) this only involves copyright infringement (not patent or trademark); (5) this only involves software not other copyright products; etc.

E-mail from Keith Kupferschmid, intellectual property counsel, Software and Information Industry Association, to Rosa Theofanis (Sept. 19, 2000) (on file with authors).

218. See Statement of the Register of Copyrights, *supra* note 216.

219. Of course, if, in the aftermath of the *Florida Prepaid* decision, interested parties begin to document state infringement more thoroughly, that evidence could be useful to a future Congress considering whether sufficient state infringement exists to justify across-the-board abrogation. Collecting such evidence may be difficult, because states have no incentive to keep track of their uses of copyrighted works and rightsholders may be poorly positioned to discover many potentially infringing uses. The Senate Judiciary Committee has asked the General Accounting Office to study, among other issues, the extent of infringement claims against states. See *State Sovereign Immunity Under the Eleventh Amendment and Its Effects on Intellectual Property Enforcement: Hearing Before the House Comm. on the Judiciary Subcomm. on Courts and Intellectual Property*, 106th Cong. (2000) (statement of Todd Q. Dickinson, Undersecretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office) (commending Senator Orrin Hatch's request that the General Accounting Office undertake such a study).

The *Florida Prepaid* majority emphasized that "a state actor's negligent act that causes unintended injury to a person's property does not 'deprive' that person of property within the meaning of the Due Process Clause."²²⁰ Thus, to support any renewed effort at across-the-board abrogation, Congress would need to show significant instances of infringement that are *more than negligent*.²²¹ In trying to build a record for abrogation for copyright infringements, the existing record for the CRCA is, unfortunately, of little help, because it contains essentially no consideration of the mental state involved in the acts of state infringement that it discusses.

Most evidence of state copyright infringement in the existing legislative record and in court decisions and other sources does not focus on the mental state with which the infringement was committed. The Copyright Office's 1988 report, in discussing the five public comments documenting problems copyright owners faced in enforcing their copyrights against states, offers little information to help determine whether any of those reported instances of infringement would be "non-negligent" for Fourteenth Amendment purposes. Reported cases involving alleged state copyright infringement also do not offer many examples of conduct that would clearly be "non-negligent." In one case, in which a court found that an agency that ran a state's annual fair had infringed the copyright in a musical composition that it used in promoting the fair, the trial court found that the agency's "infringing activities were 'willful, with full notice and knowledge of plaintiff's copyrights and in total disregard for those rights.'"²²² In another case in which a school choir director was found to have infringed the copyright in a musical work by making a new arrangement, providing copies of the new arrangement for the choir, and having the choir perform the arrangement at one concert, the court characterized the infringement as an "unintentional and seemingly harmless mistake."²²³ Other reported cases, however, make no mention of the alleged infringer's mental state, and, indeed, often give only the barest description of the plaintiff's allegations before proceeding to dispose of the case on sovereign immunity grounds.²²⁴ Even where the plaintiff's

220. *Florida Prepaid*, 527 U.S. at 645 (citing *Daniels v. Williams*, 474 U.S. 327, 328 (1986)).

221. The Supreme Court has not clarified how much more culpable than negligent the actor's mental state must be, and in particular has not decided whether either reckless or grossly negligent acts would constitute deprivations. See, e.g., *County of Sacramento v. Lewis*, 523 U.S. 833, 863 (1998) (Scalia, J., concurring in the judgment). See also *supra* Subsection II.A.2.

222. *Mills Music, Inc. v. Arizona*, 591 F.2d 1278, 1289 (9th Cir. 1979), *overruled by* *BV Eng'g v. UCLA*, 858 F.2d 1394, 1397 n.1 (9th Cir. 1988).

223. *Wihtol v. Crow*, 309 F.2d 777, 780 (8th Cir. 1962). The court noted that "[t]he fact that [the choir director's] copying was done without intent to infringe would be of no help to him" under copyright law. *Id.*

224. See, e.g., *Rodriguez v. Texas Comm'n on the Arts*, 992 F. Supp. 876 (N.D. Tex. 1998).

allegations are recounted in some detail, they generally offer no insight into the defendant's mental state.²²⁵

In short, the existing record appears to be largely silent on whether the documented instances of copyright infringement by states were non-negligent and therefore evidence of potential constitutional violations which Congress could act to remedy under its Section Five authority. No doubt the lack of mental-state evidence in the record is understandable, given that in the context in which that evidence was gathered the mental state of the alleged infringer was irrelevant to the question of liability. Nonetheless, the current state of the record will make it difficult to demonstrate a significant amount of infringement rising to the level of constitutional concern that Congress could address by abrogating state sovereign immunity to copyright infringement claims in federal court.

3. *Are State Remedies for Infringement Adequate?*—Under both due process and takings theories, even a state's non-negligent infringement of federal intellectual property rights cannot be unconstitutional unless the state fails to provide a remedy for the infringement. For this reason, any attempt to justify across the board abrogation will have to demonstrate not only that a sufficient proportion of state infringements of federal intellectual property rights are non-negligent, but also that those infringements amount to constitutional violations because of the states' failure to provide adequate remedies for the infringements under state law.

1154 (W.D. Va. 1986), *aff'd in part, rev'd in part sub nom.* Richard Anderson Photography v. Brown, 853 F.2d 114 (4th Cir. 1988); BV Eng'g v. UCLA, 858 F.2d 1394 (9th Cir. 1988), *aff'g* 657 F. Supp. 1246 (C.D. Cal. 1987); Lane v. First Nat'l Bank of Boston, 687 F. Supp. 11 (D. Mass. 1988), *aff'd*, 871 F.2d 166 (1st Cir. 1989).

225. For example, in *Chavez v. Arte Publico Press*, the alleged infringer was a university press that had entered into a publishing contract with the author and copyright owner of a book of short stories. The author eventually sued, alleging that the press had printed more copies than the publishing agreement allowed, while the press maintained that the publishing agreement did not limit the number of copies it could print. *Chavez v. Arte Publico Press*, 59 F.3d 539, 541 (5th Cir. 1995), *vacated, remanded sub nom.* Univ. of Houston v. Chavez, 517 U.S. 1184 (1996), *opinion replaced by Chavez v. Arte Publico Press*, 157 F.3d 28 (5th Cir. 1998). The author conceded in her complaint that the relevant contractual language was ambiguous, and the Fifth Circuit, reviewing the language of the contract, found it to be "reasonably susceptible to two interpretations, one of which renders [the defendant's] alleged act perfectly legal." *Id.* at 547. No final determination was made in the case because the defendant was eventually held immune under the Eleventh Amendment, but the facts reported in the decisions on the immunity issue suggest that the state agency's conduct may not have been intentional or reckless for Fourteenth Amendment purposes. See also *Jehnsen v. New York State Martin Luther King Inst. for Nonviolence*, 13 F. Supp. 2d 306 (N.D.N.Y. 1998) (allegedly infringing state agency had disputed the plaintiff's claim to ownership of a training manual that the plaintiff wrote under contract from the agency); *Unix Sys. Lab v. Berkeley Software Design, Inc.*, 832 F. Supp. 790 (D.N.J. 1993) (licensing agreement between plaintiff and defendant allowed defendant to prepare derivative works of plaintiff's computer program and distribute such works if they contained no proprietary information).

Congress probably could not demonstrate at the present time that adequate state remedies are unavailable to intellectual property owners when states interfere with their property. The record leading to adoption of the CRCA gave scant attention to the question,²²⁶ and little additional evidence on the question appears to have developed since then.²²⁷ On the one hand, states do not seem in general to have *affirmatively* extended formal state remedies to copyright owners alleging state infringement of their works; but on the other hand, few copyright owners seem actually to have been *denied* such state remedies. This is because, at least until the *Seminole Tribe* decision, federal courts rarely questioned copyright owners' ability to sue states in federal court under federal copyright law. With the full panoply of federal remedies available against state infringement, copyright owners had little reason to seek state remedies for such acts and states had little incentive to determine whether existing state remedial procedures for property deprivations did or could apply to copyright infringement.²²⁸

State remedies need not be expressly directed to aggrieved intellectual property rightsholders in order to be "adequate." The *Florida Prepaid* Court mentioned two possible state remedies, neither of which was expressly directed at intellectual property rights:²²⁹ pursuit of a takings or conversion claim against the state²³⁰ and the pursuit of a claims bill in the

226. The discussion that does appear in the record about the adequacy of remedies deals almost entirely with the issue of whether injunctive relief against state officials in *Ex parte Young* actions in federal court was adequate. See, e.g., REGISTER OF COPYRIGHTS, *supra* note 209 (surveying copyright owner comments about the inadequacies of injunctive relief); *Senate CRCA Hearings*, *supra* note 212, at 50 (statement of James L. Healy, Jr.); *id.* at 91 (letter of Robert A. Schmitz); *House CRCA Hearings*, *supra* note 212, at 95, 99 (statement of Barbara A. Ringer); *id.* at 241-42 (statement of the Computer and Business Equipment Manufacturers Association). The Copyright Office's 1988 report did conclude that few states had waived their immunity for copyright infringement suits in federal court, but that in no way demonstrates that those nonwaiving states would not provide a *state* remedy for alleged infringements. Indeed, the bill's opponents noted that the report had entirely failed to consider the availability of remedies in every state for unlawful taking of private property. *Senate CRCA Hearings*, *supra* note 212, at 123 (statement of the Educators' Ad Hoc Committee on Copyright Law).

227. See, e.g., Menell, *supra* note 17, at 1413 (noting that because state remedies for intellectual property violations are generally inferior to relief under federal statutes, "there was little incentive for intellectual property owners to pursue these remedies" before *Florida Prepaid*).

228. It is possible, as discussed *infra* in Subsection II.C.1, that courts might find that any state remedy for a state's infringement of a copyrighted work is preempted by federal copyright law, which expressly provides that "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright" in fixed works of authorship are governed exclusively by federal copyright law. 17 U.S.C. § 301(a) (1994).

229. *Florida Prepaid*, 527 U.S. at 244 n.9.

230. The Court noted that the Florida Supreme Court had upheld the state courts' jurisdiction over a patentholder's claim against an alleged state infringer under general constitutional and common law provisions on takings and deprivation of property without due process of law. *Jacobs Wind Elec. Co. v. Dep't of Transp.*, 626 So.2d 1333, 1336 (Fla. 1993).

Florida legislature under a Florida statute covering monetary claims against the state generally.²³¹ The Court's discussion of remedies suggests that where a state makes remedies available *generally* to property holders who claim that the state has deprived them of property without due process or just compensation, the Supreme Court is unlikely to find such remedies inadequate for intellectual property rightsholders simply because the state did not expressly create the remedy to address intellectual property deprivations. Because intellectual property owners have not until recently had reason to pursue state rather than federal remedies, little evidence likely exists at the present as to whether a state's general remedial procedures are inadequate for intellectual property owners.²³² Indeed, even the Copyright Office has simply *presumed* that state remedies are not available.²³³

Given the current state of evidence, it seems unlikely that Congress could presently compile a legislative record showing sufficient levels of unconstitutional and unremedied acts of state copyright infringement to justify an across-the-board abrogation of state sovereign immunity in federal copyright infringement suits—at least to a Court scrutinizing the record as sharply as the *Florida Prepaid* Court did.²³⁴ And if such a record cannot presently be built for copyright infringement, it is unlikely to be built for patent or trademark infringement. As states and intellectual property owners gain experience operating under the parameters of the *Florida Prepaid* decision, however, evidence might emerge showing significant unremedied state infringements.²³⁵ This suggests that Congress might wish to revisit the across-the-board abrogation strategy at a future date, but that such a strategy is not likely to succeed at the present time.

C. *Pure Case-by-Case Abrogation: The Leahy Proposal and Its Likely Effects*

On the best reading of *Florida Prepaid*, the PRCA failed not because states violate patents infrequently, but because many state patent

231. FLA. STAT. ANN. §§ 11.065-11.066 (West 1998) (cited in *Florida Prepaid*, 527 U.S. at 244 n.9).

232. As with evidence of the amount of state infringement generally, evidence of inadequacy of a state's general remedial procedures may appear in the future, as copyright owners, in the wake of *Florida Prepaid*, find state remedial schemes their only option for obtaining damages for state infringement. This suggests that a future Congress might be better positioned to judge whether across-the-board abrogation would survive scrutiny.

233. See Statement of the Register of Copyrights, *supra* note 216, at 23.

234. An additional question remains as to whether even evidence of significant, unremedied non-negligent infringement on the part of a small number of states would justify an across-the-board abrogation of the sovereign immunity of *all* fifty states in intellectual property infringement cases. See *supra* Subsection II.A.4.

235. In particular, completion of the General Accounting Office's study should shed important light on these issues.

violations—when they do occur—are not unconstitutional.²³⁶ Because the PRCA failed to distinguish between cases of negligent and intentional infringement, or between cases where states provide adequate remedies and cases where they do not, the statute failed the Court's test of proportionality.²³⁷ We argued in the previous Section that *Florida Prepaid* does not foreclose the possibility that a renewed PRCA (or TRCA or CRCA) based on a better record could satisfy this proportionality requirement, but that an adequate record will be hard to develop. Senator Leahy's proposal thus has turned, appropriately, to other possible ways to meet *Florida Prepaid's* requirements.

At the far pole from the across-the-board abrogation scheme of the old PRCA lies pure case-by-case abrogation: Congress could abrogate a state's immunity in any case in which the individual plaintiff proves, as an element of her cause of action, that the state's infringement of her intellectual property rights was in fact unconstitutional under the Due Process or Takings Clause. Between across-the-board and pure case-by-case abrogation lie any number of intermediate alternatives. For example, Congress might identify a particular class of cases in which infringements of intellectual property rights are especially likely to be intentional yet in which intent would be hard to prove in any individual instance. In that event, Congress might choose, as a prophylactic measure, to abrogate immunity across that range of cases without requiring each plaintiff to prove that any infringement was intentional.²³⁸ At the same time, Congress might find it difficult to generalize about the adequacy of state remedies, and therefore require the same plaintiff to prove that he was not afforded an adequate state remedy in his individual case. Because no such intermediate approach is currently on the legislative table, and because it

236. See *supra* Subsection II.A.4.

237. See *Florida Prepaid*, 527 U.S. at 646 (concluding that "the provisions of the Patent Remedy Act are 'so out of proportion to a supposed remedial or preventive object that [they] cannot be understood as responsive to, or designed to prevent, unconstitutional behavior'") (quoting *City of Boerne v. Flores*, 521 U.S. 507, 532 (1997)).

238. Such an approach could draw support from the Court's discussions of the Section Five power in cases involving racial discrimination. The Court has sometimes suggested an institutional reluctance to infer discriminatory intent under the Equal Protection Clause absent a facially discriminatory policy, but that Congress may have superior institutional resources for evaluating such situations. See *Washington v. Davis*, 426 U.S. 229, 239 (1976). The Court has also suggested that if Congress, based on its superior institutional factfinding capacities, finds that a facially neutral practice usually in fact reflects a discriminatory intent, it may ban that practice as a prophylactic measure under the Section Five power. See *Katzenbach v. Morgan*, 384 U.S. 641, 652-53 (1966). See also Lawrence Gene Sager, *Fair Measure: The Legal Status of Underenforced Constitutional Norms*, 91 HARV. L. REV. 1212, 1232-35 (1978) (suggesting that Congress's superior factfinding abilities may justify broader enforcement of constitutional norms under the Section Five power than courts would be willing to mandate on their own). The Court has upheld the Voting Rights Act's proscription of literacy tests—which are facially neutral but frequently adopted for nefarious reasons—on just these grounds. See *Katzenbach*, 384 U.S. at 652-53.

would require, at least on some points, a legislative record that we think may be quite difficult to develop, we only flag the availability of the option in theory and do not consider it further here.

The Leahy Bill pursues a pure case-by-case strategy by abrogating state sovereign immunity and providing a federal cause of action if and only if a state engages in an act of infringement that constitutes a constitutional violation. Such an approach is plainly—even elegantly—constitutional. The issue of proportionality arises, after all, only when Congress attempts to use the Section Five power to reach, for prophylactic reasons, some instances of conduct that are not themselves unconstitutional. The Leahy Bill eliminates this issue by making actual unconstitutionality an element of the plaintiff's cause of action; abrogation can literally *never* occur, under this proposal, in the absence of unconstitutional state action.

Because the Leahy proposal tracks the constitutional requirements so precisely, the interesting questions revolve not around the bill's constitutionality but rather around its likely effects. Two questions are particularly salient. First, under what circumstances will a private plaintiff in fact be able to secure abrogation of a state's immunity and hold the state liable for infringement? Second, what are the states likely to do in response to Congress's enactment of this sort of abrogation provision?

The answer to the first question turns, in large part, on the underlying constitutional rules concerning Due Process and Takings Clause violations. No abrogation can occur under the Due Process Clause, for example, for negligent infringement by state actors.²³⁹ As we noted in Section II.A, however, a critical component of both due process and takings claims is the inadequacy of state remedies. This means that our first question (when will abrogation be effective?) and our second (how will the states respond?) are integrally related, because the extent and nature of the state remedial scheme is something a state can control.

If a state were to violate the Due Process Clause by non-negligently infringing a protected intellectual property right *and* failing to provide adequate remedies for the infringement under state law, then the Leahy Bill's abrogation provision would apply. In that instance, the state would be stripped of its Eleventh Amendment immunity and subject to suit in federal court under the federal intellectual property laws. Because Congress has some latitude to provide remedies that go beyond what the Constitution might require directly, so long as those remedies are directed at an actual constitutional violation,²⁴⁰ we think the offending state in

²³⁹ See *supra* text accompanying notes 135-37.

²⁴⁰ See *City of Boerne v. Flores*, 521 U.S. 507, 508 (1997); *South Carolina v. Katzenbach*, 383 U.S. 301 (1966) (upholding complex remedies for racial discrimination not directly mandated by the Constitution, once a past violation of the Fifteenth Amendment was proven).

such circumstances would probably be subject to the entire panoply of federal intellectual property remedies, and the Leahy Bill provides for the full range of statutory retrospective remedies in cases of constitutional violations.²⁴¹ The difficulty in *Florida Prepaid* was the predicate for liability under the PRCA, not the remedies allowed in the event of successful abrogation of the states' immunity.²⁴²

Confronted with this prospect, the states will likely prefer to expand the remedies available in their own tribunals rather than face suits in federal court under federal law. There is no guarantee, of course, that all (or even any) states will respond in this way. Legislative inertia and alternative priorities may impede efforts to amend state remedial schemes; moreover, given that states remain directly subject to the mandate of federal intellectual property statutes through a variety of means, states may prefer to work on compliance rather than act to minimize their exposure.²⁴³ Nonetheless, states have two powerful incentives to bring their own remedial schemes up to the constitutional standard rather than face suit in federal court. First, the state forum seems likely to be more sympathetic to the state government defendant, regardless of the underlying law being applied. Second, the "adequate" remedies that the states must supply in order to defeat abrogation are likely to be significantly less extensive than the remedies available under the federal intellectual property laws. The latter point is true because states need supply only the minimum remedies required by the Constitution in order to escape abrogation.

It thus becomes critical to determine exactly *what* sorts of remedies the relevant constitutional provisions require and *when* they require them. A comparison of these remedies with the remedies generally available under federal intellectual property law is important both for telling us what we can expect from a case-by-case abrogation approach, as well as for comparing that approach to other options for reform, such as the Leahy Bill's induced-waiver proposal. Our ultimate conclusion on this point is that, while the remedies that the states will likely choose to provide in

241. S. 1835, 106th Cong. § 201 (1999) (proposed 35 U.S.C. § 296(b)), § 202 (proposed 7 U.S.C. § 2570(b)), § 203 (proposed 17 U.S.C. § 511(b)), § 204 (proposed 17 U.S.C. § 915(b)), § 205(a)(2) (proposed 17 U.S.C. § 1333(b)), § 206 (proposed 15 U.S.C. § 1122(b)).

242. Of course, because the Court found the scope of liability imposed by the PRCA disproportionate to the potential constitutional violations, it did not need to reach the proportionality of the remedies that the statute imposed. Nonetheless, the Court's discussions of proportionality in cases like *City of Boerne* and *Florida Prepaid* have been sufficiently general that, if the Court had really thought the PRCA's remedies went too far, we would have expected some mention of that in the opinion.

243. See *supra* text accompanying notes 62-65 (noting that states remain subject to suit under federal intellectual property statutes when the United States is the plaintiff or when a private plaintiff seeks only prospective relief); see also Menell, *supra* note 17, at 1465 (observing that state actors may have significant incentives to comply voluntarily with intellectual property laws, notwithstanding the shield of immunity).

response to case-by-case abrogation fall significantly short of the full range of statutory remedies available under federal intellectual property statutes, the minimum remedies required by the Constitution are sufficient to provide some meaningful relief in most situations.

The remedies constitutionally required of a state will not only fall short of those available under federal intellectual property law, but they will not be coextensive with the remedies that are ordinarily available to a plaintiff under Section 1983 for a violation of her rights under the Due Process Clause. Remedies are available under Section 1983 only after a state has actually violated a plaintiff's Fourteenth Amendment rights—that is, once the state has deprived a plaintiff of her property *and* failed to provide her with the process that she is due. In the case-by-case abrogation context, by contrast, the question is what remedies the state must provide in order to *avoid* any violation of the Fourteenth Amendment. That is, once the state has deprived the plaintiff of her property, to what remedies is she entitled as a matter of due process so that there will be no violation? The remedies available after a state has committed a wrong—violating a person's Fourteenth Amendment due process rights—may well be greater than the process that the Fourteenth Amendment requires a state to provide after it has deprived a person of her property. As the Court explained in *Parratt*, “Although the state remedies may not provide [a person] with all the relief which may have been available if he could have proceeded under Section 1983, that does not mean that the state remedies are not adequate to satisfy the requirements of due process. [I]f [the remedies provided could have fully compensated the [person] for the property loss he suffered, . . . they are sufficient to satisfy the requirements of due process.”²⁴⁴

We have broken our analysis of these remedial issues into four parts. First, we address the preliminary question whether federal law itself precludes the states from providing meaningful remedies in intellectual property cases, either because federal courts have exclusive jurisdiction over intellectual property disputes or because federal law preempts state remedies. We conclude that these considerations do not foreclose meaningful relief under state law. In Subsections II.C:2 through II.C:4, we

244. *Parratt v. Taylor*, 451 U.S. 527, 544 (1981); *see also* *Hudson v. Palmer*, 468 U.S. 517, 535 (1983). In addition, the remedies available in a Section 1983 suit mostly depend on non-constitutional sources of law. The measure of damages is based on analogies to the common law of torts. *Carey v. Phipps*, 435 U.S. 247, 353-59 (1978). The right to attorney's fees is expressly provided in a companion statute, 42 U.S.C. § 1988(b) (1994), which authorizes fees in all Section 1983 cases but not in other cases involving claims of constitutional right. In any event, an intellectual property owner who claims that a state has infringed her rights would not be able to bring a Section 1983 suit against a state for deprivation of her property without due process because states are not “persons” within the language of Section 1983. *Will v. Michigan Dep't of State Police*, 491 U.S. 58 (1989).

consider the extent of monetary and non-monetary relief that would likely be available as a result of this abrogation approach. These remedies, as we have said, fall significantly short of what was available under the intellectual property statutes prior to *Florida Prepaid*. Finally, in Subsection II.C.5, we compare the remedies that would likely be available against state governments to those that current law makes available against the United States. This comparison, we argue, somewhat mitigates the unfairness that appears if one only compares the relief available against states with that available against private entities. Nonetheless, important differences between states and the federal government render the federal analogy of uncertain significance.

1. *Does Federal Law Foreclose State Remedies in Intellectual Property Cases?*—Two federal obstacles—one procedural and one substantive—might stand in the way of states providing adequate remedies for violations of intellectual property rights. First, Congress has given the federal courts exclusive jurisdiction in cases “arising under” the federal patent and copyright laws, so such cases may not be heard in state courts.²⁴⁵ Thus, a state could not provide a remedy for state patent or copyright infringement simply by waiving its sovereign immunity in its own courts and inviting owners to bring infringement cases under federal law in those courts. The federal courts’ exclusive “arising under” jurisdiction in patent and copyright cases, however, does not bar the state courts from hearing *any* claim involving a patent or copyright.²⁴⁶ For example, many claims for breach of a copyright license agreement are not considered to arise under federal copyright law and are properly heard in state court.²⁴⁷ A state court action under the Constitution seeking compensation for a state’s use of intellectual property may not “arise under” the federal statutes and thus be cognizable in state court despite the exclusive federal jurisdictional grant.²⁴⁸ To the extent Congress has any

245. 28 U.S.C. § 1338(a) (1994). Federal jurisdiction in cases arising under the federal trademark law is concurrent with state jurisdiction, rather than exclusive. *Id.*

246. *See, e.g.*, 2 GOLDSTEIN, *supra* note 140, § 13.2.1, at 13:6 (“In fact, federal courts and state courts share jurisdiction in many cases involving copyright subject matter.”).

247. *See id.* § 13.2.1.2; *see also* *Bassett v. Mashantucket Pequot Tribe*, 204 F.3d 343, 347 (2d Cir. 2000) (noting that “the federal grant of a . . . copyright has not been thought to infuse with any national interest a dispute as to ownership or contractual enforcement turning on the facts or on ordinary principles of contract law” and that “[w]hether a complaint asserting factually related copyright and contract claims ‘arises under’ the federal copyright laws . . . poses among the knottiest procedural problems in copyright jurisprudence”) (internal quotation marks omitted); *American Well Works Co. v. Layne & Boulder Co.*, 241 U.S. 257 (1916) (holding that state-law causes of action involving the assertion of federal intellectual property rights do not arise under federal law); HART & WECHSLER, *supra* note 89, at 520-21; 6 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 31.01 (2000) [hereinafter NIMMER].

248. *See* Volokh, *supra* note 14, at 1163 n.5 (arguing that because claims for takings of intellectual

concerns about the matter, though, it should, when enacting a case-by-case abrogation statute, clearly provide that there is no exclusive federal court jurisdiction for claims against states or state officials for constitutionally required compensation for infringements of intellectual property.

The second potential obstacle to state remedies is substantive: federal statutory law might preempt a state-law remedial action for intellectual property infringement. Federal copyright law expressly preempts any "legal or equitable rights [in copyrightable subject matter] that are equivalent to any of the exclusive rights within the general scope of copyright."²⁴⁹ And although federal patent laws do not have similar express preemptive effect, a series of Supreme Court cases since the mid-1960s has held that federal patent law does sometimes preempt state laws.²⁵⁰ It is not clear that a cause of action for remedying an otherwise unconstitutional state deprivation or taking of property is a right "equivalent to" the standard copyright rights or that such a remedy would fall within the judicially defined scope of patent preemption.

Even if courts were inclined to hold that such a state action were preempted, such a holding would raise serious problems. It is unclear whether Congress can statutorily preempt a state from providing an individual with a remedy that the Constitution requires the state to provide, and we suspect most courts would be reluctant to find any congressional intent to try.²⁵¹ Moreover, it seems unlikely that Congress could statutorily

courts from hearing such claims). *But see Florida Prepaid*, 528 U.S. at 538 & n.10 (Stevens., J., dissenting) (suggesting that congressional grant of exclusive federal-court jurisdiction over claims arising under patent law might bar a state court from hearing a takings claim based on state use of patented invention).

249. 17 U.S.C. § 301(a) (1994).

250. *See* *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) (holding that the application of a state unfair competition law to bar copying of an unpatented article was preempted by federal patent law); *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234 (1964) (same); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974) (holding that federal patent law does not preempt state-law trade-secret protection); *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257 (1979) (holding that federal patent law does not preempt state enforcement of a contract to pay royalties on an item for which no patent ever issued); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989) (ruling that a state law barring copying of unpatented boat hulls was preempted by federal patent law). The thrust of these cases has largely been to prevent state law from providing protection to inventions that are unpatented or unpatentable under federal law, and the cases and their rationales do not directly address the question of whether a state could provide an additional remedy for infringement of federally patented articles, especially in a situation in which the Constitution would require the state to provide such a remedy.

Federal and state trademark law generally co-exist, often providing similar protection to the exact same subject matter. *See* 5 MCCARTHY, *supra* note 141, § 32.1 ("Congress . . . has not preempted the field of unfair competition in general or common law trademarks in particular.").

251. *See, e.g., Jacobs Wind Elec. Co. v. Dep't of Transp.*, 626 So.2d 1333, 1335-37 (Fla. 1993) (holding that a congressional grant to federal courts of exclusive jurisdiction over claims "arising under" federal patent law did not preempt state courts from hearing takings claims where state sovereign immunity barred a patentholder's infringement claim in federal court).

preempt the states from providing copyright owners with an adequate state remedy for state infringement and *then* abrogate state sovereign immunity from monetary damage claims for copyright infringement by pointing to the states' failure (due to the congressionally imposed disability) to provide adequate state remedies. In any event, because of possible concerns that state remedies might be preempted, Congress should, in enacting a case-by-case abrogation statute, amend the copyright and patent laws to clarify that constitutionally required state-law remedies for deprivations of intellectual property are not preempted.

2. *Monetary Relief.*—In considering what particular remedies the Constitution requires a state to provide for intellectual property infringements that it commits, the Court's due process jurisprudence poses a threshold question about whether the remedies required by the Due Process Clause must be provided prior to or after the deprivation.²⁵² In most cases, a postdeprivation remedy seems likely to be sufficient. The general rule is that "a deprivation of a constitutionally protected property interest caused by a state employee's random, unauthorized conduct does not give rise to a Section 1983 procedural due process claim, unless the State fails to provide an adequate postdeprivation remedy."²⁵³ The sort of remedies that states would need to provide to intellectual property owners in order to avoid abrogation of the state's immunity would thus vary according to whether the state's infringement was authorized or not. Since states remain bound by federal intellectual property laws, most infringements by state officers are likely to be unauthorized. Most authorized infringements seem likely to qualify as takings, and the Court has held that in takings cases the right to bring an inverse condemnation action—a form of postdeprivation remedy—is sufficient to satisfy the Constitution.²⁵⁴

We can imagine some situations, however, in which infringements (a) are not authorized, and therefore don't qualify as takings,²⁵⁵ and (b) seem so predictable *ex ante* that some predeprivation procedures might be warranted under traditional due process principles.²⁵⁶ For example, a state university might have a general policy of admonishing its faculty not to infringe copyrights, but no policy in place offering guidance to faculty on

252. See, e.g., *Zinerman v. Burch*, 494 U.S. 113, 115 (1990); *Parratt v. Taylor*, 451 U.S. 527, 538 (1981).

253. *Zinerman*, 494 U.S. at 115.

254. See, e.g., *Williamson County Reg'l Planning Comm'n v. Hamilton Bank*, 473 U.S. 172, 194-95 (1985).

255. See, e.g., *Hooe v. United States*, 218 U.S. 322 (1910); see also *supra* text accompanying notes 172-86.

256. Compare *Zinerman*, 494 U.S. at 138-39 (requiring predeprivation safeguards because the deprivation of liberty, while unauthorized, was foreseeable by state authorities). See Bohannon & Cotter, *supra* note 74, 1485-90 (discussing predictability of state infringements).

what constitutes “fair use” of copyrighted materials. Such an arrangement—like the lax procedures for admitting mental patients in *Zinerman*—might be construed as “copyright violations waiting to happen.” In other words, future violations by the faculty, although not authorized by state policy, might be sufficiently predictable to require some sort of predeprivation relief. Under such circumstances, a court might order the university to develop fair use guidelines, to provide notice to rightsholders when their materials are used, or some similar measure.²⁵⁷ Nonetheless, we emphasize that postdeprivation relief will almost surely be the norm across the range of infringement situations discussed in this Article.²⁵⁸

The bare minimum remedy that a state must provide for state intellectual property infringements that rise to the level of constitutional significance is likely to be financial compensation for the actual damage suffered by the owner whose rights are infringed. The “just compensation” that a state must pay for a taking “normally is to be measured by ‘the market value of the property at the time of the taking contemporaneously paid in money.’”²⁵⁹ Consequential damages to the property owner are not compensated.²⁶⁰ In cases of intellectual property infringements, the market value might be measured as a reasonable royalty that would have been charged for the use made.²⁶¹ This is the preferred measure for compensating patent owners when the U.S. government has used a patented invention without the patentee’s consent.²⁶²

Similarly, due process for a state’s deprivation of property would seem to require the state at least to provide property owners with a postdeprivation action for compensation. Such remedies seem likely to provide relief similar to that available as the basic measure of monetary relief afforded to intellectual property owners under all three major federal statutory regimes—the recovery of actual damages.²⁶³ The various

257. It is worth noting that federal intellectual property statutes themselves require no such precautions; in this limited sense, the Due Process Clause might require more extensive relief than the statutory regime.

258. *But see* Bohannon & Cotter, *supra* note 74, at 1485-90 (suggesting that predeprivation relief will be required in many instances).

259. *United States v. Fifty Acres of Land*, 469 U.S. 24, 29 (1984) (quoting *Olson v. United States*, 292 U.S. 246, 255 (1934)).

260. *See id.* at 33 (“[T]he Fifth Amendment does not require any award for consequential damages arising from a condemnation.”); *see also* LAYCOCK, *MODERN AMERICAN REMEDIES*, *supra* note 52, at 23.

261. *Heald & Wells*, *supra* note 116, at 874 (“In the intellectual property context, no more than a reasonable royalty is probably due the owner under the Fifth Amendment.”).

262. *See, e.g., Hughes Aircraft Co. v. United States*, 86 F.3d 1566, 1572 (Fed. Cir. 1996). Such claims are “viewed as” takings claims by the courts. *Id.* at 1571.

263. *See* 15 U.S.C. § 1117(a) (1994) (providing for the recovery of any damages sustained for a violation of trademark rights); 17 U.S.C. § 504(b) (1994) (providing for “actual damages” to compensate for copyright infringement); 35 U.S.C. § 284 (1994) (providing for damages “adequate to compensate for the [patent] infringement” but not “less than a reasonable royalty for the use made of the invention by the infringer”).

methods of valuing intellectual property rights, as well as "the speculative nature of appraising the value of intellectual property at the post-infringement stage," may, however, allow states to give damage awards that are somewhat less generous than those available under the federal statutes without running afoul of constitutional guarantees.²⁶⁴

Federal intellectual property law gives intellectual property owners several alternatives to actual damages in infringement suits. For example, both trademark and copyright law allow an owner to recover any of the infringer's profits that are attributable to the infringement.²⁶⁵ Another alternative available to certain intellectual property owners is statutory damages. Copyright law allows an owner to choose, at her discretion, to pursue statutory damages instead of actual damages and profits, and federal courts in copyright infringement cases can award statutory damages of between \$750 and \$30,000 per work infringed.²⁶⁶ In cases of trademark counterfeiting, a trademark owner can choose to pursue statutory damages of between \$500 and \$100,000 per infringed mark instead of seeking actual damages and profits.²⁶⁷ Congress adopted these alternative measures to provide owners with a certainty of recovery, even where it might be difficult or impossible to prove actual damages, and to give owners a recovery (and an incentive to pursue infringers) in cases where actual damages might be relatively small.²⁶⁸

264. Bohannon & Cotter, *supra* note 74, at 1499; see also Kwall, *supra* note 119, at 718-26 (comparing methods for determining just compensation and for calculating actual damages for copyright infringement). For an example of the difficulties in calculating the value of uses of copyrighted works, see *Raishevich v. Foster*, 9 F. Supp. 2d 415 (S.D.N.Y. 1998) (in Section 1983 action for destruction of 347 photographic transparencies by state police officer, court calculates damages by determining transparencies' market value based on potential licensing revenue over the life of the copyright).

265. See 15 U.S.C. § 1117(a) (1994) (entitling a trademark registrant to recover the defendant's profits for violations of trademark rights); 17 U.S.C. § 504(b) (1994) (entitling the copyright owner to recover "any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages").

266. 17 U.S.C. § 504(c)(1) (Supp. V 1999). Courts may award up to \$150,000 in cases of willful infringement and as little as \$200 in cases of innocent infringement. *Id.* § 504(c)(2). Even in federal court, statutory damages are not universally available to copyright owners but turn instead on the registration status of a work. If a work is unpublished, statutory damages are available only for infringement that commences on or after the effective date of the registration of the work. *Id.* § 412(1) (1994). If the work is published, an owner may recover statutory damages only for infringement that commences on or after the effective date of registration (unless the work is registered within three months of first publication, in which case any infringement after first publication is subject to statutory damages). *Id.* § 412(2).

267. 15 U.S.C. § 1117(c)(1) (Supp. 1998). In cases of willful infringement, the court may award up to \$1,000,000 per mark. *Id.* § 1117(c)(2). Statutory damages are also available for violations of the "anticybersquatting" provisions of the Lanham Act. 15 U.S.C. §§ 1117(d), 1125(d)(1).

268. See, e.g., H.R. REP. NO. 94-1476, at 161-63 (1976); "Anticounterfeiting Consumer Protection Act of 1995—Section-by-Section Analysis," CONG. REC., Aug. 9, 1995, at 12085 ("The option to elect statutory damages in counterfeit cases ensures that trademark owners are adequately compensated and that counterfeiters are justly punished, even in cases where the plaintiff is unable to prove actual damages because, for example, the defendant engages in deceptive record-keeping."); see also S. REP. NO. 104-177, at 10 (1995).

State flexibility in calculating damages under the Due Process Clause, and the strict definition of "just compensation" under the Takings Clause, suggest that the alternative measures of damages provided for in the federal intellectual property statutes need not be provided by the states in order to comply with the Constitution. Requiring a state to disgorge any profits it makes from infringing another party's intellectual property is restitution for unjust enrichment, not compensation to the injured owner.²⁶⁹ Similarly, statutory damage regimes in which an intellectual property owner need not prove *any* actual injury go well beyond constitutional requirements to *compensate* property owners for the deprivation or taking of their property. Thus, states seem unlikely to have to provide intellectual property owners with monetary remedies comparable to those available under federal law as alternatives to actual damages.²⁷⁰

Federal intellectual property law also provides in certain cases for awards of enhanced damages to intellectual property owners. Patent and trademark law each allow courts to award up to treble damages.²⁷¹ Such awards are generally limited in practice to cases in which the court finds that the infringement is willful.²⁷² Copyright law provides for enhanced *statutory* damages: in cases of willful infringement, the maximum amount a court may award increases from \$30,000 to \$150,000.²⁷³ States seem unlikely to be required to provide such enhanced damages to intellectual property owners in order to comply with the Constitution, even in cases of willful state infringement. The Takings Clause requires sovereigns to pay only "just compensation"—nothing more²⁷⁴—and "[t]he most that [must

269. Even where a state has committed a violation of the Fourteenth Amendment, a plaintiff in a Section 1983 suit is entitled only to damages that "*compensate* [her] for injuries that are caused by the deprivation of constitutional rights." *Carey v. Phipps*, 435 U.S. 247, 254 (1978) (emphasis added). In such cases, before compensatory damages are available the plaintiff's injury must be proven, and will not be presumed. *Id.* at 261-64. Similar principles seem likely to apply in answering questions about postdeprivation remedies for state deprivations of property.

270. The Supreme Court has ruled that a plaintiff who brings a Section 1983 action alleging that she has been deprived of life, liberty, or property without due process of law is entitled to nominal damages for the violation of her rights under the Fourteenth Amendment, even if she does not or cannot prove actual injury from the violation. *Carey*, 435 U.S. at 266-67. It is not clear, however, that the Fourteenth Amendment itself *requires* that a state that has deprived a person of property pay that person nominal damages, in a case in which she does not or cannot prove actual damages, in order to provide her with the due process necessary to keep the deprivation from being a violation of her Fourteenth Amendment rights. In any event, these nominal damages would fall far short of the statutory awards permitted under federal intellectual property law.

271. 15 U.S.C. § 1117(a), (b) (Supp. IV 1998); 35 U.S.C. § 284 (1994).

272. *See, e.g.*, 7 CHISUM, *supra* note 138, § 20.03[4][b] (citing cases supporting the conclusion that a trial court's discretion to award treble damages is usually exercised only in cases of "willful and wanton infringement or bad faith litigation"); 5 MCCARTHY, *supra* note 141, § 30:91 (noting that damages are increased when there is "some variation of the 'knowing and willful' infringement theme").

273. 17 U.S.C. § 504(c)(2).

274. *See Bohannon & Cotter, supra* note 74, at 1466-67 (noting that punitive and enhanced damages are generally not required under the Takings Clause).

be] awarded to right a due process wrong is *compensatory* damages."²⁷⁵ Thus, enhanced damages for willful infringement that are available under federal law would probably not be available as part of a minimally adequate state remedy sufficient to avoid congressional abrogation. To the extent that willful intellectual property infringement by states is a concern for intellectual property owners, the absence of enhanced damages might reduce the disincentives for states to engage in such infringement.²⁷⁶

A final form of monetary relief available under federal law to intellectual property owners in cases of infringement is the recovery of attorney's fees. Patent and trademark law allow courts to award attorney's fees to the prevailing party in an infringement action "in exceptional cases."²⁷⁷ In copyright cases, courts "may" award a reasonable attorney's fee to the prevailing party.²⁷⁸ An intellectual property owner would not likely be entitled to recover attorney's fees from an infringing state as part of a constitutionally minimally adequate remedy. Attorney's fees are not generally part of the "just compensation" required by the Takings Clause,²⁷⁹ nor are they generally part of the process due to a property owner who has been deprived of her property.²⁸⁰ Because these awards are not routinely available under federal intellectual property law in federal court, however, an owner's inability to recover such an award for a compensation claim in state court may not place the owner at a substantial disadvantage compared to litigating an infringement claim against a state in federal court.²⁸¹

275. *Id.* at 1503 (emphasis added) (noting that "the enhanced damages provisions of the intellectual property laws . . . find virtually no support in procedural due process jurisprudence").

276. In trademark and copyright law, however, federal *criminal* law remains a deterrent to such infringement, at least on any commercial scale. U.S. patent law does not provide criminal penalties for patent infringement. *See* *Dowling v. United States*, 473 U.S. 207, 227 n.19 (1985); *see also* 7 CHISUM, *supra* note 138, § 20.01. For a discussion of possible criminal remedies against states, *see infra* note 282.

277. 15 U.S.C. § 1117(a) (1994) (trademark); 35 U.S.C. § 285 (1994) (patent).

278. 17 U.S.C. § 505 (1994). "Because section 505 characterizes attorney's fees as 'part of the costs,' they cannot be awarded to or against the United States" or an officer thereof under Section 505. 2 GOLDSTEIN, *supra* note 140, § 12.3 at 12:55. A copyright owner's eligibility for an award of attorney's fees in an infringement action depends on the timing of the infringement and the registration of the work, and follows exactly the same rules as the availability of statutory damages, discussed *supra* note 266.

279. *United States v. Bodcaw Co.*, 440 U.S. 202, 203 (1979); *see also* *Dohany v. Rogers*, 281 U.S. 362, 368 (1930). Some state statutes nevertheless allow successful claimants to recover costs and/or attorney's fees in some circumstances. *See, e.g.*, CAL. CIV. PROC. CODE §§ 1268.610, 1268.710 (West 2000). *See also* 8A PATRICK J. ROHAN & MELVIN J. RESHIN, NICHOLS ON EMINENT DOMAIN § 15.02 (rev. 3d ed. 2000) [hereinafter NICHOLS ON EMINENT DOMAIN] (listing state provisions on attorney's fees in takings cases).

280. *See, e.g.*, *Weimer v. Amen*, 870 F.2d 1400, 1405 (8th Cir. 1989) ("State remedies are not inadequate simply because they do not allow for the recovery of attorneys' fees."); *Wilson v. Beebe*, 770 F.2d 578, 584 (6th Cir. 1985).

281. If an intellectual property owner sues a state in federal court via an *Ex parte Young* action for injunctive relief, the federal court might have the power to award attorney's fees and costs against

3. *Injunctive Relief*.—Two major types of nonmonetary relief are available to intellectual property owners under federal law.²⁸² The first is injunctive relief. Injunctive relief is available to prevent future infringement under all of the major federal intellectual property regimes.²⁸³ Notwithstanding *Florida Prepaid*, injunctive relief under those statutes would remain available to intellectual property owners in federal court even without any action by Congress. The Leahy Bill would amend existing intellectual property statutes to expressly authorize injunctive suits against state officers in cases of state infringement of federal intellectual property rights.²⁸⁴

The *Ex parte Young* doctrine allows an intellectual property owner to sue the state official responsible for infringement in federal court in her official capacity for prospective injunctive relief, regardless of the state's assertions of sovereign immunity.²⁸⁵ Although the claim in *Ex parte*

the state for *that* action. Substantive federal law would authorize such an award in certain circumstances, and under existing law a state's sovereign immunity to claims for money damages would not bar the award. See *Hutto v. Finney*, 437 U.S. 678 (1978) (rejecting an Eleventh Amendment challenge to an award of attorney's fees in an *Ex parte Young* action where a state acted in bad faith).

282. Federal intellectual property statutes also provide for criminal penalties in some cases. "Whoever" intentionally traffics in goods or services and knowingly uses a counterfeit mark in such trafficking commits a criminal offense, and fines are provided both for individuals and "any person other than an individual." 18 U.S.C. § 2320(a) (1994). "Any person" who willfully infringes a copyright in certain circumstances commits a criminal offense. 17 U.S.C. § 506(a) (1994).

While one obviously cannot throw a state in jail, assessment of criminal fines against a state government is not inconceivable. Such a prosecution would be a suit by the United States and hence not barred by sovereign immunity. It is not clear, however, whether federal copyright or trademark law contemplates that a state itself can commit criminal infringement. See 15 U.S.C. § 1122; 18 U.S.C. § 2320(a) (trademark); 17 U.S.C. §§ 506, 511 (copyright); see also *Will v. Michigan Dep't of State Police*, 491 U.S. 58 (1989) (the term "person" in statutes is ordinarily not construed to include states). In any event, the "political safeguards of federalism" make federal criminal prosecutions directed at state governments highly unlikely.

There is little doubt, however, that an individual state official would be a "person" subject to criminal infringement penalties. Because states can act only through their officials, the threat of such penalties seems likely to be a significant deterrent to willful, commercial-scale state intellectual property infringement.

283. 15 U.S.C. § 1116(a) (1994) (granting courts power to issue injunctions to prevent trademark infringement and counterfeiting, trademark dilution, and unfair competition); 17 U.S.C. § 502 (1994) (granting courts power to issue temporary and final injunctions to prevent or restrain copyright infringement); 35 U.S.C. § 283 (1994) (granting courts power to issue injunctions to prevent violations of any right secured by patent).

284. S. 1835, 106th Cong. § 201 (1999) (proposed 35 U.S.C. § 296(a)), § 202 (proposed 7 U.S.C. § 2570(a)), § 203 (proposed 17 U.S.C. § 511(a)), § 204 (proposed 17 U.S.C. § 915(a)), § 205(a)(2) (proposed 17 U.S.C. § 1333(a)), § 206 (proposed 15 U.S.C. § 1122(a)).

285. *Ex parte Young*, 209 U.S. 123, 159-60 (1908). *But see* *Belknap v. Schild*, 161 U.S. 10, 24-25 (1896) (suit against U.S. officers sought injunction barring use of patented invention and ordering destruction of caisson gate embodying invention at federal Navy yard; Court ruled that suit "sought to control the defendants in their official capacity, and in the exercise of their official functions, as representatives and agents of the United States, and thereby to defeat the use by the United States of property owned and used by the United States" and therefore suit could not be maintained because the United States was an indispensable party and sovereign immunity barred the suit against the United States).

Young involved activity by the state that was alleged to be in violation of the federal Constitution, the doctrine would allow an intellectual property owner to seek an injunction against a state official whose activities violated a federal intellectual property *statute*, even if those activities did not rise to the level of a constitutional violation.²⁸⁶ State sovereign immunity therefore does not reduce the availability of injunctive relief to intellectual property owners. It may, however, increase the cost of obtaining such relief, as well as the risk of inconsistent verdicts, since an owner may need to bring two suits—one in federal court for an injunction and one in a state forum for compensation—where previously only one infringement suit in federal court had been needed to obtain both remedies.²⁸⁷

Because state sovereign immunity does not ordinarily bar suits against state officers for injunctive relief, such relief should remain available in the intellectual property context even without any further action by Congress. The Leahy Bill, however, contains provisions designed to foreclose two potential objections to officer suits for prospective relief. First, the states might argue that *Ex parte Young* suits are not authorized under the intellectual property laws. Second, the states might seek to interpose their traditional authority to “take” property by eminent domain—subject only to the obligation to pay just compensation—as a barrier to anything other

286. At least two district courts have so concluded in the copyright context. See *Woelffer v. Happy States of America, Inc.*, 626 F. Supp. 499, 505 (N.D. Ill. 1985) (“[T]he Supreme Court . . . has repeatedly made clear that the *Young* exception extends to federal suits seeking prospective injunctive relief against state officers who have allegedly violated *federal statutes*.” (emphasis in original)); *Rainey v. Wayne State Univ.*, 26 F. Supp. 2d 973, 976 (E.D. Mich. 1998). For a case decided prior to *Ex parte Young* that permitted a suit in federal court seeking to enjoin state officers from committing copyright infringement, see *Howell v. Miller*, 91 F. 129 (6th Cir. 1898) (Harlan, J.); see also *Hercules, Inc. v. Minnesota State Highway Dep’t*, 337 F. Supp. 795, 799-802 (D. Minn. 1972) (allowing an *Ex parte Young* suit for patent infringement).

287. For a brief review of policies designed to avoid the problem of bifurcated litigation, see Mitchell N. Berman, Note, *Removal and the Eleventh Amendment: The Case for District Court Remand Discretion To Avoid a Bifurcated Suit*, 92 MICH. L. REV. 683, 713-14 (1992) [hereinafter Berman, *Removal*]. The Constitution probably does not require states to provide injunctive relief to intellectual property owners in order to satisfy the Due Process and Takings Clauses. In many contexts, postdeprivation procedures satisfy the requirements of due process, see, e.g., *Parratt v. Taylor*, 451 U.S. 527 (1981), and state infringement of intellectual property rights seems likely to be such a context. See *supra* text accompanying notes 252-258. With respect to a taking, injunctive relief is generally not available to enjoin an alleged taking when a suit for compensation can be brought against the taking sovereign subsequent to the taking. *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1016 (1984) (citing *Larson v. Domestic & Foreign Commerce Corp.*, 337 U.S. 682, 697 n.18 (1949)). States might nevertheless choose to make injunctive relief against state intellectual property infringements available in state courts. A state that chooses to provide a constitutionally adequate remedy for state infringement of intellectual property rights through its own courts might prefer not to have to defend against an intellectual property owner’s claims in two separate cases (an injunction action to prevent future infringement and a damage action to obtain compensation for past infringement) and in two separate fora (federal and state). The state might therefore empower its courts to entertain actions not only for constitutionally required remedies but also for remedies that would be available against it elsewhere, particularly since the state might prefer to defend such cases in its own courts.

than compensatory damages relief. Our view is that these potential objections would have little merit even without any legislative action. We think that the Leahy Bill's response to the first is effective and may be a prudent hedge against future developments. The bill's response to the second problem, however, may well *not* be effective and may raise complicated and unnecessary issues of its own.

The first potential objection stems from *Seminole Tribe*, which held not only that Congress cannot abrogate the states' sovereign immunity from direct suits against the state itself, but also that the relevant statute—the Indian Gaming Regulatory Act (IGRA)²⁸⁸—did not permit a claim for injunctive relief against a state officer.²⁸⁹ The reason was that the IGRA created an intricate set of provisions for suits against the states, but did not mention officer suits. “[W]here Congress has prescribed a detailed remedial scheme for the enforcement against a State of a statutorily created right,” the majority wrote, “a court should hesitate before casting aside those limitations and permitting an action against a state officer based upon *Ex parte Young*.”²⁹⁰ The Leahy Bill seeks to avoid any similar implication of a limit on officer suits in the intellectual property context by explicitly affirming the availability of prospective relief against state officers in each of its abrogation provisions.²⁹¹

We have no doubt that such an explicit statutory endorsement of *Ex parte Young* suits would be effective. *Seminole Tribe*'s prohibition of such suits under the IGRA, after all, was based on a reading of Congress's implied intent, and such readings are always subject to subsequent legislative override. We simply doubt the measure is necessary in the context of the intellectual property statutes. In contrast to the IGRA, for example, the PRCA explicitly named state officers as well as the state itself as potential defendants in patent suits,²⁹² and the intellectual property laws

288. 25 U.S.C. § 2710.

289. See *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 76 (1996).

290. *Id.* at 74. The Court based this principle upon an analogy to the implied *Bivens* right of action against federal officials for constitutional violations. See *Bivens v. Six Unknown Named Agents of Federal Bureau of Narcotics*, 403 U.S. 388 (1971). That remedy has been held to be unavailable when Congress provides for a more specific and limited set of statutory remedies, see *Schweiker v. Chilicky*, 487 U.S. 412 (1988); *Bush v. Lucas*, 462 U.S. 367 (1983). But see *Seminole Tribe*, 517 U.S. at 176-77 (Souter, J., dissenting) (explaining why the *Schweiker/Bush* limitation should have no application in the context of *Ex parte Young*).

291. The patent provision, for example, provides that “[i]n any action against an officer or employee of a State for infringement of a patent . . . prospective relief is available against the officer or employee in the same manner and to the same extent as such relief is available in an action against a private individual under like circumstances.” S. 1835, 106th Cong. § 201 (1999) (amending 35 U.S.C. § 296(a)). This sort of provision would presumably authorize *Ex parte Young* suits even in the unlikely event that the bill's abrogation provisions were found to be unconstitutional.

292. See 35 U.S.C. § 271(h) (1994) (stating that potential defendants include “any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity”). The TRCA contains similar language. See 15 U.S.C. § 1125(a) (1994).

specifically provide for the sorts of injunctive relief that would be sought under *Ex parte Young*.²⁹³ Given the aggressiveness of the Court's recent efforts to protect state sovereign immunity and continuing controversy over *Ex parte Young* in particular,²⁹⁴ however, an explicit endorsement of *Ex parte Young* might make sense.²⁹⁵

The second potential objection addressed by the Leahy Bill is that a state might characterize its infringement of the plaintiff's intellectual property as an exercise of the eminent domain power. When the state "takes" property by eminent domain, its only obligation is to provide compensation; injunctions against the taking will typically be unavailable.²⁹⁶ After all, so long as a procedure for seeking compensation remains available, the state's action is not itself illegal and *Ex parte Young* therefore provides no basis for injunctive relief against the state's officer.²⁹⁷

The invocation of the state's eminent domain power as a bar to officer suits raises two distinct issues. The first is whether state eminent domain powers can extend to property—like patents and copyrights—that is derived from a federal grant. If one justifies the existence of eminent domain on the theory that the sovereign can take property because it is the original source of property rights, then one might conclude that a state government can "take" only property rights, like realty, that are derived from state law.²⁹⁸ The "more widely accepted view" of eminent domain, however, derives the power simply from the necessities of government; on this view,

Most *Ex parte Young* suits are brought against state officers in their "official" capacity. See HART & WECHSLER, *supra* note 89, at 1125.

293. See *supra* note 283. In fact, Chief Justice Rehnquist's opinion in *Seminole Tribe* specifically suggested, in response to Justice Stevens's warning in dissent that the Court's holding would prevent relief against states in copyright, antitrust, and bankruptcy cases, that injunctive relief would be available under those statutes. See *Seminole Tribe*, 517 U.S. at 73 n.16.

294. See, e.g., *Idaho v. Coeur d'Alene Tribe*, 521 U.S. 261 (1997) (illustrating serious divisions among the justices concerning the continuing force and interpretation of *Ex parte Young*); Vicki Jackson, *Seminole Tribe, The Eleventh Amendment, and the Potential Evisceration of Ex Parte Young*, 72 N.Y.U. L. REV. 495 (1997).

295. The potential downside of such an endorsement is that, if Congress begins to include explicit endorsements of officer suits in some of its enactments, it becomes easier for those hostile to *Ex parte Young* to argue that the *absence* of such an endorsement in other statutes represents an implicit prohibition on such suits. Such a doctrine might well narrow the *Ex parte Young* remedy even further than an expansive reading of *Seminole Tribe*.

296. See, e.g., *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1016 (1984) ("Equitable relief is not available to enjoin an alleged taking of private property for a public use, duly authorized by law, when a suit for compensation can be brought against the sovereign subsequent to the taking."); Kwall, *supra* note 119, at 727-28.

297. See *Ex parte Young*, 209 U.S. 123, 167-69 (1908) (predicating the availability of injunctive relief against a state officer on a violation of federal law).

298. See Kwall, *supra* note 119, at 699, 704 (discussing the "transcendent ownership" theory of eminent domain).

a sovereign government generally has authority to take any property within its jurisdiction that is necessary to the public welfare.²⁹⁹ On this view, state governments would have at least presumptive authority to condemn federally created intellectual property rights.³⁰⁰

We say “presumptive” because of the second issue: whether Congress can, if it chooses, preempt the states’ eminent domain powers by statute in particular areas. The Leahy Bill attempts to foreclose any suggestion that state officers may invoke the eminent domain authority to forestall injunctive relief by adding a “preemption” provision to each federal intellectual property statute. The patent version, for example, provides that “[n]o State may use or manufacture the invention described in or covered by a patent without the authorization or consent of the patent owner, except in the manner and to the extent authorized by Federal law.”³⁰¹ Whether Congress can preempt a state’s eminent domain power is, as far as we can tell, an unresolved question of constitutional law.³⁰²

We do not seek to resolve that question here. We note, however, that eminent domain *is* a basic attribute of state sovereignty.³⁰³ As such, we would think that—at a minimum—a clear statement of Congress’s intent to preempt that power would be required.³⁰⁴ And it is not completely clear

299. *Id.* at 699; see also *Georgia v. City of Chattanooga*, 264 U.S. 472, 480 (1924) (stating that the power of eminent domain “is so often necessary for the proper performance of governmental functions that the power is deemed to be essential to the life of the State”); 1 NICHOLS ON EMINENT DOMAIN, *supra* note 279, § 1.13[4], at 1-22 (rev. 3d ed. 1985) (observing that “it is now generally considered that the power of eminent domain is not a property right, or an exercise by the state of an ultimate ownership in the soil, but that it is a power based upon the sovereignty of the state”).

300. If states could not condemn federal intellectual property rights because those rights are created by a separate sovereign, it would be hard to explain why the federal government can, in turn, condemn real estate or other property rights created by state law. Moreover, as Professor Kwall points out, private land titles in many western states derive ultimately from *federal* grants, and yet those states have never been thought to lack eminent domain power over such lands. See Kwall, *supra* note 119, at 704 n.97; see also *Kohl v. United States*, 91 U.S. 367, 371 (1875) (noting that because the states’ eminent domain power “grows out of the necessities of their being,” they can exercise that power “though the lands are not held by grant from the [state] government, either mediately or immediately”).

301. S. 1835, 106th Cong. § 201 (1999) (amending 35 U.S.C. § 296(c)).

302. See generally Kwall, *supra* note 119, at 710 (arguing that such preemption might well be unconstitutional, even under the lenient federalism doctrine of *Garcia v. San Antonio Metropolitan Transit Authority*).

303. See, e.g., *City of Cincinnati v. Louisville & N. R.R.*, 223 U.S. 390, 400 (1912) (stating that the “right of every State to authorize the appropriation of every description of property for a public use is one of those inherent powers which belong to state governments, without which they could not well perform their great functions”); *Boom Co. v. Patterson*, 98 U.S. 403, 406 (1878) (suggesting that the United States, “by any of its departments,” has “no right to interfere” with a state’s exercise of the eminent domain power).

304. See, e.g., *Gregory v. Ashcroft*, 501 U.S. 452, 460 (1991) (applying a clear-statement rule where congressional action “would upset the usual constitutional balance of federal and state powers”). The clear-statement rules announced in *Gregory* and similar cases are generally more demanding than the ordinary presumption against preemption, see, for example, *Rice v. Santa Fe Elevator Corp.*, 331

that the Leahy Bill's preemption provision would meet such a test.³⁰⁵ The proposed provision, after all, says that a state may not use an innovation protected under federal intellectual property law without the authorization or consent of the owner; it does *not* say that the state cannot *become* the owner by condemning the intellectual property in question pursuant to the state's eminent domain powers.³⁰⁶ Whether or not this reading of the statute is the *most* persuasive possible reading, we think it is sufficiently plausible to win out under the clear-statement rule that the Court seems likely to apply in this context.³⁰⁷

We do not deny, of course, that Congress could force the constitutional issue by revising the language of the Leahy proposal. But we are not sure Congress needs to do that in order to ensure the availability of injunctive relief against state officers in most infringement scenarios. In particular, we should not leap to characterize state infringements of intellectual property as exercises of eminent domain authority. In many instances, the state officer sued for an injunction under

U.S. 218, 230 (1947) ("[W]e start with the assumption that the historic police powers of the States were not to be superseded by the Federal Act unless that was the clear and manifest purpose of Congress."), although that presumption would also apply against any argument that Congress had preempted the states' eminent domain authority.

305. Nor do we think any existing provision of the federal intellectual property statutes meets such a test. Compare Bohannon & Cotter, *supra* note 74, at 1464-69 (suggesting that federal intellectual property law preempts state eminent domain power). One provision of federal copyright law does bar giving effect to any "action by any governmental body or other official . . . purporting to seize, expropriate, transfer, or exercise" copyright rights. 17 U.S.C. § 201(e) (1994). This provision was written not to address state eminent domain power but to prevent foreign governments such as the Soviet Union from using U.S. copyright law to suppress works by dissident authors. See I GOLDSTEIN, *supra* note 140, § 4.4.4.1 at 4:58-59. In addition, the provision by its own terms will not apply in most cases of state infringement, since it applies only when a copyright owner has not previously voluntarily transferred her copyright or any exclusive copyright rights. In the case of a work that is actively being exploited, some voluntary transfer of copyright rights is likely to have occurred before a state's alleged infringement. See also Kwall, *supra* note 119, at 710-11 (arguing that § 201(e) should not be interpreted to preempt state eminent domain authority).

306. If, for example, a state purchased patent rights from the original inventor, we would not think that the bill's preemption provisions would provide the inventor with any continuing rights to control what the state did with the invention. Eminent domain, of course, is often described as a "forced sale." See, e.g., Kwall, *supra* note 119, at 690.

307. Courts will often strain statutes almost beyond recognition in service of clear-statement rules. Such a rule, for example, disfavors elimination of federal habeas corpus jurisdiction over any class of prisoners. See, e.g., *Ex parte Yerger*, 75 U.S. (8 Wall.) 85 (1869). Pursuant to this rule, a number of federal courts have read a recent statute's provision that final orders of deportation for certain aliens "shall not be subject to review by any court" as not barring habeas review, simply because the statute does not mention the magic words "habeas corpus." See, e.g., *Sandoval v. Reno*, 166 F.3d 225, 235 (3rd Cir. 1999); see also Ernest A. Young, *Constitutional Avoidance, Resistance Norms, and the Preservation of Judicial Review*, 78 TEXAS L. REV. 1549, 1567 (2000) [hereinafter *Constitutional Avoidance*] (discussing these cases and their use of clear-statement rules). It thus seems plausible that the Leahy Bill's simple failure to mention "eminent domain" might be sufficient to prevent a holding that Congress clearly intended to preempt that power.

Ex parte Young may not be authorized to exert eminent power under state law. Just as principles of federalism require a clear statement of federal sovereignty before finding an attempt to preempt certain state functions, so too those principles ought to require a clear invocation of state sovereign power before we interpose eminent domain as a defense to a violation of federal law. When a junior faculty member at a public university photocopies copyrighted materials for his class—to pick a totally random example—it seems unnatural, without more, to view him as embodying the sovereign powers of the state government and as committing the state to pay for what he takes. We thus conclude that, absent an explicit invocation of the eminent domain power by an officer with authority to do so, injunctions will generally be available against state officers to prospectively foreclose violations of federal intellectual property laws.³⁰⁸

4. *Impoundment and Disposition.*—The other major form of non-monetary relief is the impoundment and disposition of infringing articles. Both copyright and trademark law provide for such relief.³⁰⁹ The Due Process and Takings Clauses do not appear to require states to provide such relief to intellectual property owners, because compensation to the owners appears to be adequate to meet states' constitutional obligations. Nonetheless, impoundment and disposition might be available against state entities indirectly (through a suit against a state officer) by means of an *Ex parte Young* action in federal court seeking an injunction against state infringement.

For example, if a state university press printed 1,000 copies of a novel without authorization, the copyright owner could sue for an injunction prohibiting the press from distributing those copies. Could the court in such a case order the books seized and destroyed (or turned over to the copyright owner)? The state might argue that the seizure would be retrospective punishment for past conduct—the state's infringement on the copyright owner's reproduction right by printing infringing copies—and that such a retrospective remedy, even though it is not money damages, should not be available against states in *Ex parte Young* actions.³¹⁰ The

308. As with the Leahy Bill's explicit endorsement of *Ex parte Young* suits, Congress might want to retain the preemption provisions as a hedge against legal developments. We suggest a possible downside risk to the preemption provision, however, at note 185, *supra*.

309. See 15 U.S.C. § 1118 (1994) (trademark); 17 U.S.C. § 503 (1994) (copyright). For a discussion of the availability of border seizures of imported goods or copies, see *infra* note 623-24 and accompanying text. The CRCA and TRCA expressly authorized impoundment and disposition against states. 17 U.S.C. § 511(b) (1994); 15 U.S.C. § 1122(c) (1994).

310. See *Breard v. Greene*, 523 U.S. 371 (1998) (holding that a stay of execution was retrospective relief for Eleventh Amendment purposes because it was predicated on the state's violation of the prisoner's rights in the past); *Edelman v. Jordan*, 415 U.S. 651 (1974) (discussing the

seizure, however, is to a significant extent a measure of *prospective* relief—it prevents the state from committing future, independent acts of copyright infringement by distributing infringing copies of the book in violation of the copyright owner's exclusive right of distribution.³¹¹ State sovereign immunity imposes no bar on a federal court's ordering the state university press not to violate the copyright owner's rights in the future by selling the infringing copies that it possesses.³¹² Providing for seizure of the copies in order to effectuate such an injunction might be seen as part and parcel of the prospective relief available under *Ex parte Young* or at least in aid of such prospective relief.³¹³ Impoundment and disposition of infringing articles therefore might be allowable as part of the injunctive relief available against a state in federal court despite the existence of state sovereign immunity.³¹⁴ The Leahy Bill takes this view. The bill expressly authorizes federal suits for prospective relief against state officers for violations of federal intellectual property statutes, and the bill defines "prospective" relief to include impounding and destruction of infringing articles where the statutes generally provide for such relief.³¹⁵

prospective/retrospective distinction under *Ex parte Young*). For a criticism of *Breard's* approach to prospectivity, see Carlos Manuel Vázquez, *Night and Day: Coeur d'Alene, Breard, and the Unraveling of the Prospective-Retrospective Distinction in Eleventh Amendment Doctrine*, 87 GEO. L.J. 1 (1998).

311. This is similar to the view that the Supreme Court has taken in the context of civil forfeitures. See, e.g., *Bennis v. Michigan*, 516 U.S. 442, 452 (1996) ("[F]orfeiture also serves a deterrent purpose distinct from any punitive purpose. Forfeiture of property prevents illegal uses 'both by preventing further illicit use of the [property] and by imposing an economic penalty, thereby rendering illegal behavior unprofitable.'").

312. See, e.g., *Howell v. Miller*, 91 F. 129, 136-37 (6th Cir. 1898) (Harlan, J.). In that case, the plaintiff had sued state officers for copyright infringement and the court assumed that the state's "mere preparation" and possession of the allegedly infringing manuscript were not "a legal wrong to the plaintiff." The court said that if the suit "had as its only object a decree disturbing the state's possession of that manuscript and ordering the surrender of it to the plaintiff, or its destruction, so that it could not be used, we should say . . . that such a suit would be one against the state, and could not be entertained." But, the court noted, the suit's principal object was to prevent the defendants from printing and distributing copies of the manuscript in alleged infringement of the plaintiff's federal copyright, and on that ground the suit could be maintained. "It would be extraordinary if a court of equity could not stay the hands of the defendants, if what they are about to do will be in violation of the plaintiff's rights, as secured by the laws of the United States." Because the court found that injunctive relief was not warranted, no final determination as to the transfer or destruction of the manuscript was made. *Id.*

313. See *Hutto v. Finney*, 437 U.S. 678, 690 (1978) ("In exercising their prospective powers under *Ex parte Young* and *Edelman v. Jordan*, federal courts are not reduced to issuing injunctions against state officers and hoping for compliance. Once issued, an injunction may be enforced.").

314. The same analysis applies to goods bearing infringing trademarks. Once the infringing goods exist, any further "use in commerce" of those goods or services would constitute a separate act of trademark infringement. 15 U.S.C. § 1114(1)(a) (1994). For a discussion of the availability of impoundment and destruction of equipment used to produce infringing articles, see *infra* notes 325-28 and accompanying text.

315. S. 1835, 106th Cong. § 203 (1999) (proposed 17 U.S.C. § 511(a)) (copyright); § 204 (proposed 17 U.S.C. § 915(a)) (mask works); § 205 (proposed 17 U.S.C. § 1333(a)) (boat-hull designs); § 206 (proposed 15 U.S.C. § 1122(a)) (trademarks).

At least two arguments suggest, however, that impoundment and disposition of property owned by a state in the course of an *Ex parte Young* action might be barred by the Eleventh Amendment. First, a state might be able to make some noninfringing use even of copies involved in prior infringement, so that the seizure and disposition of those copies would not be wholly in aid of prospective injunctive relief barring any future infringing use of the copies. For example, in the case of the 1,000 copies of a novel printed without permission, state teachers might lawfully use those copies to read the novel aloud to their students.³¹⁶ In other cases, legitimate copies that are subject to impoundment because they have been *used* to infringe might still have noninfringing uses in the hands of the state. For example, if a state correctional facility has infringed a copyright owner's public performance rights by buying an authorized videocassette of a film and showing it to inmate gatherings, the state could still use the videocassette without infringing by, for example, lending or renting the video for private viewing or selling the video.³¹⁷ In such circumstances, seizing the copies from the state may seem not merely to aid in ensuring a state's compliance with the federal court's prospective injunction, but also to prevent the state from using its property for legal purposes. The question of whether seizure in such cases would constitute relief that a federal court may not order in an *Ex parte Young* suit may never arise, however, since courts in copyright infringement actions generally consider whether a defendant can make noninfringing use of her copies in deciding whether to exercise their discretion and order impoundment of those copies.³¹⁸

Second, some lines of cases suggest that sovereign immunity bars suits that directly determine the disposition of property possessed by a sovereign.³¹⁹ The Supreme Court has several times considered whether sovereign immunity bars a suit seeking possession or title of property in the possession of a state or of the federal government. Most of those cases

316. 17 U.S.C. § 110(1) (1994) exempts from the copyright owner's control the performance of a work by instructors in the course of face-to-face teaching activities in a classroom, and reading a novel aloud to students would constitute such a performance. With respect to literary works, the exemption does not require that the particular copy used in the performance have been lawfully made.

317. Such lending, rental, or sale of a lawfully made copy is permitted under the first sale doctrine. 17 U.S.C. § 109(a) (1994).

318. See, e.g., *Filmvideo Releasing Corp. v. Hastings*, 668 F.2d 91, 93-94 (2d Cir. 1981) (finding the trial court's order impounding film prints in defendant's possession to be an abuse of discretion because defendant might lawfully show the copyrighted films abroad and evidence did not show that defendant did not have legal possession of the prints for that purpose).

319. The mere fact that compliance with a court's order will require a state to use its property does not make the order impermissible relief under *Ex parte Young*. See *Hutto v. Finney*, 437 U.S. 678, 690 & n.15 (1978) (noting that the cost of compliance is "ancillary" to a prospective order and permissible, even if such ancillary costs are very large).

turn on the unique relationship between the state and the property in question³²⁰ or depend on the special principles of admiralty law,³²¹ concerns not present in intellectual property cases. On the other hand, the Supreme Court has made some sweeping statements suggesting that *Ex parte Young* suits may not involve the disposition of a state's property. The broadest and most relevant statement came in *Larson v. Domestic and Foreign Commerce Corp.*,³²² which considered the sovereign immunity of the federal government. *Larson* held that "a suit [against an officer] may fail, as one against the sovereign, even if it is claimed that the officer being sued has acted unconstitutionally or beyond his statutory powers, if the relief requested can not be granted by merely ordering the cessation of the conduct complained of but will require . . . *the disposition of unquestionably sovereign property.*"³²³ Despite this broad language, no compelling policy reason exists for extending *Larson* to prevent a federal court from ordering the impoundment and disposition of infringing copies, at least where the state likely cannot make any noninfringing use of those copies. While a state may have substantial interests in asserting sovereignty over submerged lands or territorial waters—or even other forms of property which can be used for legal purposes—a state seems to have no real sovereign interest at stake in retaining ownership of chattels that the state cannot lawfully use in any practical way.³²⁴

320. See, e.g., *Idaho v. Coeur d'Alene Tribe*, 521 U.S. 261 (1997) (holding that the Eleventh Amendment barred a suit by an Indian tribe to establish its ownership of and jurisdiction over certain submerged lands due to the uniquely sovereign nature of state control over submerged lands).

321. See, e.g., *California v. Deep Sea Research, Inc.*, 523 U.S. 491, 506-08 (1998); *Florida Dep't of State v. Treasure Salvors, Inc.*, 458 U.S. 670 (1982) (holding that, where a private plaintiff proceeded *in rem* in an admiralty action against a sunken vessel, the Eleventh Amendment did not bar execution of a warrant for arrest of items recovered from the vessel and in possession of the state of Florida). Other cases involved competing claims of ownership between a private party and the government to a disputed piece of property. See, e.g., *United States v. Lee*, 106 U.S. 196 (1882); *Tindal v. Wesley*, 167 U.S. 204 (1897) (suggesting suits against state or federal officers seeking to regain real property possessed by officers may proceed, although suits seeking to quiet title to property as between a plaintiff and a state may not); see also *Coeur d'Alene Tribe*, 521 U.S. at 281 (citing *Tindal* for the proposition that the Eleventh Amendment would bar a quiet title action against the state). The general proposition that sovereign immunity bars federal courts from resolving title disputes over property held by a state seems inapplicable to the ordinary copyright case involving the impoundment remedy. That remedy, after all, does not involve any adjudication of claims of ownership of the property in question. The copyright owner has no claim of ownership in the tangible copies (or equipment) in question, and the court's authority to order impoundment and disposition is based not on the resolution of any such claim in the copyright owner's favor but rather upon the remedial provisions of the copyright statute.

322. 337 U.S. 682 (1949).

323. *Id.* at 691 n.11 (emphasis added) (citing *North Carolina v. Temple*, 134 U.S. 22 (1890)). See also *Deep Sea Research*, 523 U.S. at 506 ("[T]he Eleventh Amendment bars federal jurisdiction over general title disputes relating to state property interests.").

324. For example, a state's interest in storing infringing copies in a warehouse indefinitely seems an insufficient counterweight against the federal court's interest in ensuring compliance with an injunction against future infringing use of those copies.

Even if, as a general matter, state sovereign immunity is held not to bar the impoundment and disposition remedy in copyright cases, immunity might prevent the application of the remedy to the fullest extent allowed by statute. Thus, as noted above, in cases where the state could lawfully use the copies at issue, seizure and disposition of those copies might be inappropriate. Similar concerns might limit a court's ability to order the seizure not of copies of a work but of the equipment that was used to make infringing copies.³²⁵ The impoundment of "articles by means of which such copies . . . may be reproduced" may extend to copying equipment, such as a photocopying machine, that can be used to produce noninfringing copies as well as infringing ones.³²⁶ Courts, though generally wary about impounding and disposing of copying equipment capable of noninfringing uses,³²⁷ do sometimes order such relief. The Eleventh Amendment seems likely, however, to bar a court hearing an *Ex parte Young* action alleging copyright infringement from, for example, ordering the president of a state university to turn over a general-purpose photocopying machine that faculty members had used to produce infringing copies. Depriving the state of ownership and use of the copy machine—or potentially of *all* of its copy machines—seems to be more drastic relief than is necessary in aid of an injunction ordering the cessation of the underlying infringement.³²⁸

On the whole, then, there are good arguments for viewing impoundment and disposition in many cases as merely part and parcel of prospective injunctive relief that is ordinarily available against state officers in an *Ex parte Young* action. The lack of clear, modern guidance on the extent to which the Eleventh Amendment might bar suits against a state seeking the surrender of property in the state's possession, however, counsels caution in concluding with any certainty that a federal court in an *Ex parte Young* action will be able to order the seizure remedy in all cases in which the federal copyright statute grants it the authority to do so. At

325. Federal law allows for the impoundment and disposition not only of copies that have been made or used in violation of federal law but also of "all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies . . . may be reproduced." 17 U.S.C. § 503(b) (1994). Impounding printing plates or master negatives of an infringing work in a state's possession will likely not pose any problems different from those involved in seizing infringing copies, since there will be few, if any, noninfringing uses to which such items can be put.

326. See, e.g., *RSO Records, Inc. v. Peri*, 596 F. Supp. 849, 863-64 (S.D.N.Y. 1984) (ordering the destruction of equipment and materials used primarily for infringement but sale of duplicating equipment that had noninfringing uses).

327. See 2 GOLDSTEIN, *supra* note 140, at § 11.2.2, at 11:39 ("Courts exercising their authority to order the destruction or other disposition of devices and materials employed to produce infringing copies and phonorecords have generally taken care to exclude devices and materials that are suitable for substantial noninfringing uses.").

328. In addition, depriving the state of property that can be used for noninfringing purposes simply because it has in the past been used for infringing purposes may look more like retrospective relief for past conduct, which may not be granted in an *Ex parte Young* suit, than like a purely prospective requirement that the state not engage in illegal conduct.

the least, seizure of equipment or copies owned by a state and capable of noninfringing uses seems likely to raise substantial Eleventh Amendment questions.

5. *Comparisons.*—The remedies that an infringing state entity must provide to an intellectual property owner in order to comply with the state's constitutional obligations, and thereby negate Congress's power to abrogate the state's sovereign immunity, are substantially less attractive than the federal remedies available to intellectual property owners against private infringers. Monetary remedies that are alternative or additional to actual damages—statutory damages, restitution of an infringer's profits, damage enhancements, court costs and attorney's fees—are not likely to be available against state infringers. Nonmonetary relief in the form of impoundment and disposition may not be available against states. Injunctions, while available under *Ex parte Young*, may require the additional expense of a second lawsuit.

The remedies that a state must provide under the Constitution in order to avoid abrogation of sovereign immunity for the most part compare more favorably, however, with the remedies available to intellectual property owners for infringement by the federal government. With respect to federal trademark law, the United States has waived its sovereign immunity to suit for violations of the Lanham Act³²⁹ and has subjected itself to the full panoply of remedies that are available against private defendants,³³⁰ thus offering plaintiffs more relief than would be available against an infringing state. For other types of intellectual property infringements, however, remedies against the United States are considerably more limited.

When the United States infringes a patent, "the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation" for the U.S. government's use of the patented invention.³³¹ This constitutes the

329. 15 U.S.C. § 1122(a) (Supp. V 1999) ("The United States, all agencies and instrumentalities thereof and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, shall not be immune from suit in Federal or State court, by any person, including any governmental or nongovernmental entity, for any violation under this chapter.").

330. *Id.* § 1122(c) ("In a suit described in [§ 1122(a)] for a violation described therein, remedies (including remedies both at law and in equity) are available for the violation to the same extent as such remedies are available for such a violation in a suit against any person other than the United States or any agency or instrumentality thereof, or individual, firm, corporation or other person acting for the United States and with the authorization and consent of the United States acting in his or her official capacity.").

331. 28 U.S.C. § 1498(a) (1994). The provision covers unauthorized use or manufacture by or for the United States, including, in certain circumstances, use or manufacture by government contractors or subcontractors.

sole remedy available.³³² In limited circumstances, costs and attorney's fees are available to rightsholders who pursue this remedy.³³³ Treble damages for patent infringement are not available against the U.S. government,³³⁴ and injunctive relief is not available to prevent the U.S. government's infringement, on the theory that such infringement is analogous to a rightful exercise of the U.S. government's eminent domain power that requires the payment of compensation but not the cessation of the activity.³³⁵

Under the copyright statute, the owner's "exclusive action" for infringement by the United States "shall be an action . . . against the United States in the Court of Federal Claims for the recovery of his reasonable and entire compensation as damages for such infringement, including the minimum statutory damages."³³⁶ A copyright owner's possible remedies against the U.S. government are thus much more circumscribed than those against a private party. There is little case law on the question, but it appears that the statute's provision for "reasonable and entire compensation as damages" would not allow a copyright owner to recover any profits that the United States earned from the infringement that are not otherwise accounted for in an award of damages. Although statutory damages are available against the U.S. government, a copyright owner is entitled only to the minimum possible award, meaning that at the current time the owner could recover at most only \$750 per work infringed³³⁷ rather than the \$30,000 maximum available against private parties.³³⁸ In addition, the exclusivity of the damages remedy means that

332. 7 CHISUM, *supra* note 138, at § 20.03 ("A patent owner's *exclusive* remedy for manufacture or use by or for the United States Government is a suit for compensation in the Court of Claims.") (emphasis added).

333. Where the owner is "an independent inventor, a nonprofit organization, or an entity that had no more than 500 employees at any time during the 5-year period preceding the use or manufacture of the patented invention by or for the United States," the statute defines "reasonable and entire compensation" to include "the owner's reasonable costs, including reasonable fees for expert witnesses and attorneys, in pursuing the action." 28 U.S.C. § 1498(a). However, "unless the action has been pending for more than 10 years from the time of filing to the time that the owner applies for such costs and fees," then the United States is not liable for costs and fees if "the position of the United States was substantially justified or . . . special circumstances make an award unjust." *Id.*

334. *See, e.g.,* *Chew v. California*, 893 F.2d 331, 336 (Fed. Cir. 1990); *Leesona Corp. v. United States*, 599 F.2d 958, 969 (Ct. Cl. 1979).

335. *See Robishaw Eng'g, Inc. v. United States*, 891 F. Supp. 1134, 1139 (E.D. Va. 1995) ("[T]he patentee may not obtain an injunction against unauthorized use by the government."); *Leesona Corp.*, 599 F.2d at 967.

336. 28 U.S.C. § 1498(b) (1994).

337. 17 U.S.C. § 504(c)(1) (Supp. V 1999). Statutory damage awards are measured by the number of works infringed, not by the number of infringements of the work that were committed.

338. *Id.* Similarly, a copyright owner would not appear to be able to recover anything more than \$750 from the U.S. government if the infringement were found to be willful, despite the fact that in such circumstances the owner could receive an award of up to \$150,000 per work against a private party. If the U.S. government could prove to the court that its infringement was innocent, the

a copyright owner cannot recover costs or attorney's fees against the United States,³³⁹ cannot obtain an injunction requiring the United States to cease the infringement,³⁴⁰ and cannot obtain the impoundment, seizure, and destruction of infringing material.³⁴¹

Thus, as Eugene Volokh has pointed out, the remedies available under the Constitution's Due Process and Takings Clauses against a state that commits copyright or patent infringement do not look as unattractive in comparison to the remedies available against the federal government as they do in comparison to those available against a private infringer.³⁴² Whether states should be treated for intellectual property purposes as more akin to the federal government than private parties is a tough question. One difference is that, unlike the states, the United States has decided to forego intellectual property protection for much of its *own* property,³⁴³ and in any event seems less likely to find itself in commercial competition with private entities.³⁴⁴ At the least, however, the federal analogy does undermine a central assumption of *Florida Prepaid's* most ardent critics,

copyright owner would appear to be able to recover only the minimum award of \$200, whereas in an action against a private party the fact that the infringement was innocent would merely *allow* the judge to award an amount as low as \$200, while still giving the judge discretion to award up to \$30,000.

339. 17 U.S.C. § 505 (1994); *see also* 2 GOLDSTEIN, *supra* note 140, § 12.3.

340. 17 U.S.C. § 502(a) (1994) expressly provides that injunctive relief is available only subject to 28 U.S.C. § 1498(b) (1994), and the latter section makes no provision for injunctions in the exclusive relief that it provides to a copyright owner suing the United States. *See* 2 GOLDSTEIN, *supra* note 140, § 11.0 n.1 at 11:1; 3 NIMMER, *supra* note 247, § 12.01 [E][1] & n.216.

341. "[I]mpoundment and destruction . . . are presumably also unavailable against the United States since section 1498(b) makes damages 'the exclusive remedy.'" 2 GOLDSTEIN, *supra* note 140, § 11.0 n.1, at 11:2.

342. *See* Volokh, *supra* note 14, at 1162-66.

343. The United States government may own and enforce its rights in patents and trademarks. *See* 37 C.F.R. § 501.1 *et seq.* (2000) (providing that the U.S. government owns the "entire right, title and interest in and to any invention made by a Government employee" if the invention is made during working hours, made using government resources, or is related to the employee's official duties); 1 MCCARTHY, *supra* note 141, § 1.7 *and cases cited therein* ("Even federal . . . agencies use trade and service marks and have standing to sue for infringement."). With respect to copyrights, however, Congress has expressly chosen to forego any copyright protection in any U.S. government work. 17 U.S.C. § 105 (1994) ("Copyright protection under this title is not available for any work of the United States Government."). "A 'work of the United States Government' is a work prepared by an officer or employee of the United States Government as a part of that person's official duties." *Id.* § 101 (Supp. V 1999). Thus, while the U.S. government has allowed copyright owners only limited relief when the U.S. government infringes a private copyright, the U.S. government also has disabled itself from bringing any copyright infringement claims against private parties who use works of authorship that it produces. Congress has not imposed such a disability upon the states, as works produced by state governments or employees are protectible under federal copyright law, although at least one state appears to have chosen to forego copyright protection at least in works of state government that are subject to disclosure under the state's freedom of information law. *See* *Suffolk v. Experian Info. Solutions, Inc.*, 56 U.S.P.Q.2d 1043 (S.D.N.Y.), *appeal filed*, 00-9169 (2d Cir. 2000). Thus, unlike the federal government, states may both infringe private parties' copyrights without being subject to the same remedies as private infringers *and* may sue those who infringe copyrights owned by the state and pursue the full panoply of available remedies.

344. *See infra* note 598.

which is that the same remedies available against private parties should always be available against governments. The “playing field” has never been altogether “level” in this sense.³⁴⁵

D. *Policing State Courts*

We have already suggested that, before enacting a case-by-case abrogation proposal, Congress should give sensitive attention to the “gap” between the minimal constitutionally adequate state remedies that such a scheme would likely produce and the more generous remedies available under federal statutes. We have also predicted that the likely effect of abrogating state sovereign immunity whenever states fail to provide minimally adequate remedies is to goad states into providing such remedies—not actually to get these cases into federal court.³⁴⁶ After all, the due process “floor” is not so high as to preclude states from arranging the process to their liking, and in any event, state governments generally prefer to litigate in state court.³⁴⁷ The likelihood, then, is that a new case-by-case abrogation statute would function primarily as a deterrent rather than a remedy: faced with the prospect of effective abrogation and litigation in federal court, those states with inadequate remedial schemes are likely to reform them in order to preserve the states’ right to a state forum.

While such reforms may satisfy the Due Process and Takings Clauses, we have already noted that even constitutionally adequate state remedies may leave much to be desired from the perspective of federal intellectual property policy. In this section, we focus on a problem arising not from the “minimal” nature of the constitutionally required remedies, but rather from the fact that such remedies may be provided in state courts. In particular, the prospect of fifty different state jurisdictions deciding the scope of federal intellectual property rights is likely to give advocates of federal uniformity fits. It is worth asking, then, whether there is any way of improving the process by which federal intellectual property issues are litigated in state courts. More specifically, is there any way to preserve the uniformity of federal patent and copyright law in the absence of exclusive jurisdiction in the federal trial courts?

The answer, we think, is “yes.” As an initial matter, Congress should amend 28 U.S.C. § 1338(a), which mandates exclusive federal jurisdiction over patent, plant variety, and copyright claims, to permit concurrent state

345. See Volokh, *supra* note 14, at 1161 n.2.

346. See Meltzer *Testimony*, *supra* note 87, at 4.

347. Although state governments may prefer a federal forum in some sorts of cases to the extent they perceive the federal judiciary as less sympathetic to certain sorts of plaintiffs—say, civil rights plaintiffs—these sorts of incentives seem less likely to hold in intellectual property cases. In any event, the power to limit remedies in state court is a powerful incentive for states to litigate there.

court jurisdiction over federal intellectual property claims against state governments. This would allow states that prefer to litigate in state court, but that do not wish to go to the trouble of creating their own distinctive remedial scheme for federal intellectual property violations, to simply adopt federal remedies without giving up their home forum.³⁴⁸ Whether many states would actually choose this route is highly speculative, but it is possible that some would.

More importantly, we propose that Congress consider creating federal appellate jurisdiction in the United States Courts of Appeals³⁴⁹ over all federal intellectual property issues arising in state court litigation. Our proposal finds its inspiration in an odd source: federal habeas corpus doctrine and recurrent proposals for its reform. Habeas law is another area in which important federal rights—generally constitutional rights requiring fair procedure in criminal cases—are adjudicated in the first instance in a state tribunal. For example, a criminal defendant's claim that his confession should not be introduced as evidence against him at trial because it was involuntary under the Fifth Amendment will be decided initially by the state trial court, with appellate review up through the state system.³⁵⁰ The defendant can then (sometimes after first pursuing *state* collateral review procedures) present his federal constitutional claim to a federal district court through a petition for federal habeas corpus relief.³⁵¹ One frequent reform proposal designed to streamline this system would allow the lower federal courts to exercise a power of direct appellate review over the state court's resolution of the federal claim.³⁵²

Our proposal for federal intellectual property claims is very similar. The Federal Circuit was created in 1982 to increase the uniformity of federal patent law by replacing the twelve generalist circuit courts of appeal with a single, specialized body.³⁵³ There is no reason to believe that the

348. It is well settled that states may waive their immunity in state court without also waiving their immunity in federal court on the same sorts of claims. See *Smith v. Reeves*, 178 U.S. 436, 445 (1900).

349. Patent and plant variety claims could be sent to the Federal Circuit, as they are now from the federal district courts, see 28 U.S.C. § 1295(a)(1) (1994), while all other claims could go to the appropriate regional circuit.

350. Direct federal review is available at that point by the Supreme Court, see 28 U.S.C. § 1257 (1994), but because of the Court's limited resources and the availability of federal habeas review, certiorari is rarely granted. See generally H.W. PERRY, *DECIDING TO DECIDE: AGENDA SETTING IN THE UNITED STATES SUPREME COURT* (1991); HART & WECHSLER, *supra* note 89, at 1691-92.

351. See 28 U.S.C. § 2241, 2254 (1994).

352. See, e.g., Henry J. Friendly, *Is Innocence Irrelevant? Collateral Attack on Criminal Judgments*, 38 U. CHI. L. REV. 142, 166 (1970); Daniel J. Meador, *Straightening Out Federal Review of State Criminal Cases*, 44 OHIO ST. L.J. 273, 276 (1983); Jordan Steiker, *Restructuring Post-Conviction Review of Federal Constitutional Claims Raised by State Prisoners: Confronting the New Face of Excessive Proceduralism*, 1998 U. CHI. LEGAL F. 315, 345 & n.115.

353. See generally Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 6-7 (1989) (describing the benefits of the Federal Circuit's specialized adjudication).

Federal Circuit could not exercise a unifying influence over cases from the fifty states in much the same way that it supervises the ninety-four federal district courts. And given the relatively low incidence of patent suits against state governments,³⁵⁴ this expansion of jurisdiction would be unlikely to overburden the Federal Circuit's docket.³⁵⁵

The Federal Circuit does not have exclusive appellate jurisdiction over other forms of federal intellectual property, such as trademarks or copyrights;³⁵⁶ for trademarks, there is not even exclusive federal jurisdiction at the trial level.³⁵⁷ These limitations may express a lesser concern for uniformity in these areas. Some level of uniformity, however, could be achieved by providing for federal appellate review of state court decisions involving copyright and trademark claims against state governments in the regional federal circuit courts. Such a proposal would achieve approximately the same extent of uniformity that existed for trademark and copyright law prior to *Florida Prepaid*, since neither body of law has ever provided for centralized appellate review in a single federal court.

These proposals for federal appellate review of state court decisions by lower federal courts are, of course, highly unusual.³⁵⁸ But unusual does not mean impracticable or unconstitutional. To begin with, neither Article III nor any other constitutional principle appears to prohibit the lower federal courts from exercising appellate jurisdiction over state tribunals.³⁵⁹ Alexander Hamilton commented in *Federalist No. 82* that "I perceive at present no impediment to the establishment of an appeal from the State courts, to the subordinate national tribunals; and many advantages attending the power of doing it may be imagined."³⁶⁰ And

354. See *supra* text accompanying notes 126-27.

355. After all, these cases could all have been brought in federal district court and then appealed to the Federal Circuit prior to 1999.

356. See 28 U.S.C. § 1295(a)(1) (1994).

357. See 28 U.S.C. § 1338(a) (1994).

358. For a broader proposal to allow lower federal courts to exercise appellate review over all federal claims that the Eleventh Amendment forces into state court, see James E. Pfander, *An Intermediate Solution to State Sovereign Immunity: Federal Appellate Court Review of State-Court Judgments After Seminole Tribe*, 46 UCLA L. REV. 161 (1998).

359. The most extensive discussion is by Professor Pfander, who concludes that "the text, history, and structure of Article III and our federal judicial tradition offer strong support for the claim that Congress may invest lower federal courts with appellate jurisdiction to review state-court decisions." *Id.* at 222. See also Friendly, *supra* note 352, at 167 (noting that "[s]uch a scheme would preserve the original understanding that judgments of the highest courts of the states are to be re-examined only by a federal appellate court rather than at nisi prius"); Meador, *supra* note 352, at 276 ("There is no constitutional impediment to authorizing direct appellate review of state supreme court judgments in forums other than the Supreme Court.").

360. THE FEDERALIST No. 82, at 495 (Alexander Hamilton) (Clinton Rossiter ed., 1961). This arrangement, Hamilton explained, would "diminish the motives to the multiplication of federal courts, and would admit of arrangements calculated to contract the appellate jurisdiction of the Supreme Court. The State tribunals may then be left with a more entire charge of federal causes . . ." *Id.*

while the constitutional implications of *Murdock v. Memphis*³⁶¹ might bar the federal appellate tribunal from deciding federal intellectual property issues where the judgment below is supported by an adequate and independent state ground, that doctrine would not foreclose federal resolution of state law issues antecedent to the federal question.³⁶² As Hamilton argued, the fact that Article III explicitly limits only the subject matter jurisdiction of the lower federal courts—and not the tribunals over which they may exercise their appellate jurisdiction—indicates that the latter issue is a matter of Congress's discretion.³⁶³

We also think that the Court is unlikely to find any Eleventh Amendment bar to federal *appellate* review of a suit against a state government. The traditional explanation, first given by Chief Justice Marshall in *Cohens v. Virginia*,³⁶⁴ is that an appeal is not a "suit" within the meaning of the amendment.³⁶⁵ That answer does not make a great deal of sense; even if an appeal is not itself a suit it is a means by which "[t]he Judicial power" is made "to extend to" a "suit."³⁶⁶ The better rationale is that federal appellate review of suits against states occurs only where there was original jurisdiction in the federal district court (because the state had waived its immunity or immunity was otherwise unavailable) or because the decision of a state court involved a federal question reviewable by the Supreme Court under 28 U.S.C. § 1257. Under the diversity theory of the Eleventh Amendment, state sovereign immunity has no application in federal question cases, thus obviating the question of immunity when the Supreme Court reviews a state-court judgment.³⁶⁷ And although the Court's current majority has effectively rejected the diversity theory, they have never repudiated the Court's "repeated exercise

361. 87 U.S. (20 Wall.) 590 (1875). *Murdock* held that the Supreme Court, on direct review of a state court decision, may decide only the federal issues in the case and must dismiss the appeal if the state court's decision is supported by an adequate and independent state ground. *See id.* at 635-36. The Court purported to rest on a construction of the Court's jurisdictional statute, now codified at 28 U.S.C. § 1257 (1994), *see id.* at 617, but the decision is commonly thought to have been influenced by constitutional considerations arising from Article III. *See, e.g.,* Martha Field, *Sources of Law: The Scope of Federal Common Law*, 99 HARV. L. REV. 881, 920-21 (1986).

362. *See Indiana ex rel. Anderson v. Brand*, 303 U.S. 95 (1983); *see also* HART & WECHSLER, *supra* note 89, at 520-21 (discussing the distinction between "antecedent" and "independent" state law grounds).

363. THE FEDERALIST No. 82, at 495 (Alexander Hamilton) (Clinton Rossiter ed., 1961).

364. 19 U.S. (6 Wheat.) 264 (1821).

365. *Id.* at 412; *see also* *McKesson Corp. v. Div. of Alcoholic Beverages and Tobacco*, 496 U.S. 18, 27 (1990).

366. U.S. CONST. amend. XI; *see also* *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 113 n.10 (1996) (Souter, J., dissenting) ("Whether or not an appeal is a 'suit' in its own right, it is certainly a means by which an appellate court exercises jurisdiction over a 'suit' that began in the courts below.").

367. *See Seminole Tribe*, 517 U.S. at 113 (Souter, J., dissenting) (arguing that only the diversity theory can explain the Court's exercise of appellate jurisdiction over suits against state governments arising in the state courts); Jackson, *supra* note 11, at 44 (same).

of appellate jurisdiction in federal-question suits brought against states in their own courts by out-of-staters.³⁶⁸ Indeed, the Court expressly rejected a request to overrule its prior practice and recognize state sovereign immunity in such cases two terms ago.³⁶⁹

The Court's continued adherence to *Cohens* is somewhat puzzling, given its aggressive expansion of state sovereign immunity in other areas³⁷⁰ and its rejection of the most principled rationale for federal appellate review. Part of the explanation lies, no doubt, in the pull of historical practice³⁷¹—always a strong force in the Court's immunity jurisprudence, although the lessons to be drawn from practice have often sparked sharp debate.³⁷² The Court has also argued that federal appellate review of state judgments is necessary “[t]o secure state-court compliance with, and national uniformity of, federal law.”³⁷³

It is possible that the Supreme Court might, if presented with the question, seek to confine its appellate “exception” to the Eleventh Amendment to appellate review in the Supreme Court only. If the best explanation for that practice after *Seminole Tribe* is historical practice and perceived necessity, then those rationales obviously carry less weight in the context of a novel proposal such as ours.³⁷⁴ Nonetheless, nothing in the Court's Eleventh Amendment case law suggests that the Court views state sovereign immunity as anything other than a limit on *original*

368. *Seminole Tribe*, 517 U.S. at 113 (Souter, J., dissenting); see also *McKesson*, 496 U.S. at 27 (“We have repeatedly and without question accepted jurisdiction to review issues of federal law arising in suits brought against states in state court.”). For an example of a case decided the same term as *Seminole Tribe*, see *Fulton Corp. v. Faulkner*, 516 U.S. 325 (1996), in which the Court unanimously exercised such appellate jurisdiction.

369. *South Central Bell Tel. Co. v. Alabama*, 526 U.S. 160, 165-66 (1999); see also *General Oil Co. v. Crain*, 209 U.S. 211, 233 (1908) (Harlan, J., concurring) (“[I]t was long ago settled” that the Eleventh Amendment does not bar “a writ of error to review the final judgment of a state court.”).

370. See, e.g., *Alden v. Maine*, 527 U.S. 706 (1999) (holding that Congress may not abrogate state sovereign immunity in state court, notwithstanding the Eleventh Amendment's limitation to the “Judicial power of the United States”).

371. See, e.g., *McKesson*, 496 U.S. at 28 (observing that the fact “that this Court has had little occasion to discuss the issue merely reflects the extent to which States . . . have understood the time-honored practice of appellate review of state-court judgments to be consistent with this Court's role in our federal system”).

372. See, e.g., *Alden*, 527 U.S. at 743-44 (emphasizing that early Congresses had never attempted to abrogate the states' immunity in their own courts); *Seminole Tribe*, 517 U.S. at 64-65 (arguing that the result was compelled by consistent practice dating at least from *Hans v. Louisiana*, 134 U.S. 1 (1890)); but see generally *id.* at 122-30 (Souter, J., dissenting) (arguing at length that the majority had misinterpreted the historical practice).

373. *McKesson*, 496 U.S. at 28-29; see also Jackson, *supra* note 11, at 25-39 (arguing that the Court's desire to secure the supremacy of federal law explains its continued willingness to review state court judgments in suits against the states).

374. It is possible, for example, that the Court views the *Cohens* doctrine—much like *Ex parte Young*—as a fiction driven by pragmatic needs. See Berman, *Removal*, *supra* note 287, at 688-89. If so, the Court might prefer to avoid extending the fiction to new contexts.

jurisdiction.³⁷⁵ And to the extent that the Court's appellate "exception" to state immunity is designed to secure the supremacy and uniformity of federal law, our proposal furthers these objectives in a world where crowded dockets make review in the Supreme Court itself unlikely.³⁷⁶

To say that federal appellate review of state court decisions of federal law would be constitutional leaves many questions, of course, about how such a regime should be structured or whether it is likely to be helpful. Congress would need to decide, for example, whether to have federal courts review only decisions of the highest state courts or to allow direct federal review of state trial court decisions. The former option would make for a lengthy appellate process. The latter, as Daniel Meltzer has pointed out, "would prevent state appellate courts from reviewing the many questions of state procedural and substantive law that would arise in such lawsuits, and from providing the kind of supervision of trial court practice that appellate courts typically provide."³⁷⁷

We leave detailed consideration of those questions for another day. Our point, rather, is that Congress may not confront an all-or-nothing choice between federal and state fora for adjudication of intellectual property claims against state governments. If Congress enacts an abrogation scheme that allows states to provide their own remedies so long as they satisfy due process—the form of abrogation that, in our view, is most likely to withstand constitutional scrutiny at the present time—then Congress ought to consider: (1) where actual claims are likely to migrate, and (2) whether other tools can facilitate the uniform resolution of those claims if they are heard initially in state court. While our proposal for federal appellate review is only one approach to that problem,³⁷⁸ we think it deserves a careful look.

375. See also Pfander, *supra* note 358, at 227 (concluding that a distinction between review by the Supreme Court and by lower federal courts "finds little support in either the text or history of the Eleventh Amendment").

376. See *id.* at 199 (arguing that "[w]hile the Supreme Court cannot perform an error-correction function without dramatically reshaping its docket, the intermediate courts of appeal might well do so without facing an intolerable burden").

377. Meltzer *Testimony*, *supra* note 87, at 17 n.38.

378. Some have suggested to us that Congress should consider allowing state courts to certify questions involving federal intellectual property law to the appropriate federal court of appeals as an alternative to full-dress appeals in federal court. Cf. 28 U.S.C. § 1254(2) (1994) (permitting the United States Supreme Court to decide questions certified to it by a federal court of appeals); *Arizonans for Official English v. Arizona*, 520 U.S. 43, 75-79 (1997) (extolling the virtues of federal court certification of state law issues to state courts); see also Meltzer *Testimony*, *supra* note 87, at 17 n.38 (discussing certification). But "reverse certification"—that is, certification of federal law issues from state to federal courts—raises difficult issues under Article III's prohibition on advisory opinions. See, e.g., Bruce M. Selya, *Certified Madness: Ask a Silly Question . . .*, 29 *SUFF. L. REV.* 677, 684-87 (1995). We do not pursue the matter further here.

III. Two Roads Not Taken

In the previous Part, we argued that the Leahy Bill's renewed attempt to abrogate the states' sovereign immunity in federal intellectual property suits has promise, particularly if Congress emphasizes a case-by-case approach to abrogation. We address the Leahy Bill's second major component—requiring a state to *wave* its immunity as a precondition to federal protection for the state's own intellectual property—in Part IV. Before addressing waiver, however, we turn to two proposals analogous to abrogation, that Congress has not, so far, proposed in any pending legislation.

The first approach capitalizes on the exception to state sovereign immunity for suits by the United States as plaintiff. Such suits have never been thought to be barred by the states' immunity, and recent proposals have sought to expand the scope of this exception by creatively allowing private parties to sue on the United States' behalf. We conclude in Section III.A that direct suits by the United States itself are impractical in most instances, and that the attempts to allow other parties to sue on its behalf raise substantial constitutional questions. We will argue in Part V, however, that the United States might find it practical and worthwhile to sue on behalf of *foreign* parties whose intellectual property rights have been violated by a state government.³⁷⁹

The second approach involves the abrogation not of state sovereign immunity, but rather of the individual immunity enjoyed by state officers. Because a state's sovereign immunity typically does not extend to cover suits against state officers in their individual capacity, such suits have emerged as an important alternative to suits against the state directly.³⁸⁰ Individual officer suits, however, are subject to the defense of qualified immunity; an individual officer cannot be held liable unless he violates clearly established law of which a reasonable person should have known. Some have suggested that Congress should preempt this immunity defense in federal intellectual property cases, a proposal that we reject in Section III.B.

A. *Suits by the United States and on Its Behalf*

State sovereign immunity has never been thought to bar suits by the United States government, on the theory that the states consented to such suits when they ratified the Constitution.³⁸¹ The *Alden* Court specifically

379. See *infra* Section.V.C.

380. See, e.g., Meltzer, *Overcoming Immunity*, *supra* note 149, at 31-36 (considering, but not endorsing, reliance on officer suits as a substitute for entity liability).

381. See, e.g., *United States v. Texas*, 143 U.S. 621, 646 (1892) (holding that Texas consented to suits by the United States government when it joined the Union, and that the Supreme Court has

cited the possibility of suits by the United States in explaining that a recognition of state sovereign immunity would not absolve the states of their obligations to comply with federal law.³⁸² It is thus at least theoretically possible that, although state sovereign immunity will bar suits to enforce federal intellectual property rights by the private rightsholders themselves, the federal government might bring suit to enforce those rights on the rightsholders' behalf.

The critical doctrinal point that makes such suits possible is that the United States may sue not only to vindicate its narrow pecuniary interests, but also to vindicate its sovereign interest in the enforcement of federal law. According to Jonathan Siegel, "[w]hen Congress authorizes the United States or a federal official to sue to enforce federal law, the government's interest in law enforcement suffices to justify the action (against any defendant, state or private) even if the government has no monetary or proprietary interest at stake."³⁸³ It is true that *New Hampshire v. Louisiana*³⁸⁴ rejected an attempt by one state to sue another on behalf of one of its citizens, even though state sovereign immunity does not ordinarily bar a suit by another state.³⁸⁵ The critical point in *New Hampshire*, however, was that the real party in interest was the private citizen, who had simply assigned overdue bonds to the state government to be repaid to the assignor in the event of a successful recovery.³⁸⁶ *New Hampshire* had no sovereign interest that it could enforce through its suit against Louisiana; Louisiana's default on its bonds, after all, violated no *New Hampshire* law.³⁸⁷ Where the United States sues to vindicate rights created by federal law, by contrast, its sovereign interest in the

original jurisdiction over those cases); see also *Alden v. Maine*, 527 U.S. 706, 755 (1999) ("In ratifying the Constitution, the States consented to suits brought by other States or by the Federal Government."); Evan H. Caminker, *State Immunity Waivers for Suits by the United States*, 98 MICH. L. REV. 92, 101-11 (1999) (exploring the doctrinal roots of this principle).

382. *Alden*, 527 U.S. at 755.

383. Siegel, *supra* note 16, at 67; see also *United States v. Raines*, 362 U.S. 17, 27 (1960) (upholding Congress's right to authorize suits by the United States to protect private constitutional rights); *Herman v. S.C. Nat'l Bank*, 140 F.3d 1413, 1425 (11th Cir. 1998) ("[T]he United States has an interest in enforcing federal law that is independent of any claims of private citizens." (internal quotation marks omitted)); 13A WRIGHT ET AL., *supra* note 64, § 3531.11, at 8 ("Standing to pursue the general interests of the public is easily recognized when federal officials responsible for enforcing specific statutory schemes bring suit under the aegis of the statute.").

384. 108 U.S. 76 (1883).

385. *Id.* at 91.

386. *Id.* at 89. Compare *id.* with *South Dakota v. North Carolina*, 192 U.S. 286 (1904) (permitting recovery of overdue bonds by one state against another, where the original bondholder—a private party—had actually given some of the bonds to the plaintiff state); see also Caminker, *supra* note 381, at 115-16 (same); Siegel, *supra* note 16, at 99-100 (discussing *New Hampshire* and *South Dakota*).

387. See Siegel, *supra* note 16, at 107 (arguing that "states are not permitted . . . to espouse claims by private parties against other states" because "states, unlike the federal government, do not have the authority to control the behavior of other states").

enforcement of federal law is sufficient to make the United States the suit's real party in interest.³⁸⁸

The problems with direct United States government lawsuits on behalf of private parties are practical and political, not doctrinal. As Professor Siegel has noted, "[I]ack of resources, partiality toward states, or disagreement with particular lawsuits could lead federal officials not to sue, rendering the remedial mechanism ineffective."³⁸⁹ We thus think it unlikely that the United States government will be willing or able to intervene on behalf of all federal intellectual property plaintiffs with claims against state governments, although we argue in Part V that this option might be practical in the extremely limited context of cases involving foreign rightsholders.

Other options exist that might minimize the resource costs to the federal government, but they are of more doubtful constitutionality. Professor Siegel has argued that a *qui tam* statute—"a well-established device that authorizes private parties to bring lawsuits in the name of the United States"—would allow Congress to achieve precisely the same result as direct abrogation through the recognized exception to state immunity for suits by the United States.³⁹⁰ The most familiar example of the *qui tam* device is the False Claims Act, which imposes civil penalties on anyone presenting a false or fraudulent claim to the United States.³⁹¹ Although the attorney general may enforce the Act directly, the statute also permits a private person to bring the action in the name of the government; this private plaintiff—called the relator—can then receive up to thirty percent of the proceeds of the suit.³⁹²

In *qui tam* suits under the False Claims Act, it is easy to argue that the United States is the real party in interest because it is the United States that has been cheated and that will receive the lion's share of the recovery.³⁹³

388. See Caminker, *supra* note 381, at 115 (suggesting that the crucial distinction is between "governmental interest" suits in which "the plaintiff state is interested in the litigation for its own sake, meaning it is asserting its own sovereign or proprietary interests," and "nominal interest" suits, in which "the plaintiff state . . . rather merely asserts the interests of one or more private citizens on their behalf"). It is also worth noting that suits on behalf of foreign plaintiffs implicate an additional federal interest in preventing breaches of international obligations.

389. Siegel, *supra* note 16, at 73.

390. *Id.* at 73-94. *Qui tam* is an abbreviation of *qui tam pro domino rege quam pro si ipso in hac parte sequitur*, which means "Who sues on behalf of the King as well as for himself." BLACK'S LAW DICTIONARY 1251 (6th ed. 1990). For a narrower defense of suits against the states by way of the *qui tam* device, confined to suits in which the United States has an actual pecuniary interest, see Caminker, *supra* note 381.

391. 31 U.S.C. § 3729 (1994).

392. See *id.* § 3730(d)(2) (1994). On the *qui tam* action generally, see Evan Caminker, *The Constitutionality of Qui Tam Actions*, 99 YALE L.J. 341 (1989).

393. See Caminker, *supra* note 381, at 119 (noting that, in part because *qui tam* suits under the False Claims Act "vindicate the United States' core proprietary interests," they fall within the scope of the immunity waiver for suits by the United States "at its very narrowest").

Siegel argues, however, that "a *qui tam* statute also may authorize private parties to initiate, in the name of the United States, actions . . . in which the only injury caused by the defendant was suffered by a private party and the United States is suing solely to vindicate federal law."³⁹⁴ Moreover, he asserts, "[s]uch a statute may require the relator to be the injured private party and may give the relator all, rather than only a portion, of the money recovered from the defendant."³⁹⁵ Under this view, a new intellectual property statute would simply confer on the federal rightsholder the right to sue a state infringer on behalf of the United States, with all the proceeds of the suit going to the private rightsholder. Since such a suit need not utilize government enforcement resources at all, there would be no need to confine its scope to foreign rightsholders rather than to *any* holder of a federal patent, copyright, trademark, or other form of intellectual property.

Professor Siegel's proposal is a neat trick—a little *too* neat, in our view. As Siegel himself points out, the Court's decisions in *Alden*, *College Savings Bank*, and *Florida Prepaid* "sent a clear message: do not try to sneak around *Seminole Tribe*. That decision really meant what it said, and we [the Court] are not interested in clever schemes for avoiding it."³⁹⁶ But avoiding *Seminole Tribe* is exactly what the *qui tam* proposal seeks to do.³⁹⁷ Such a statute, Siegel basically concedes, would differ from the sort of abrogation statute struck down in *Seminole Tribe* and *Florida Prepaid* only insofar as suits brought under it would bear a different caption.³⁹⁸

The Court strongly indicated in *Alden* that it is interested in more than captions. Acknowledging that suits by the United States would avoid a state's sovereign immunity, the Court explained that:

394. Siegel, *supra* note 16, at 73.

395. *Id.* at 73-74.

396. *Id.* at 53.

397. Indeed, Professor Siegel first proposed his *qui tam* theory, prior to *Seminole Tribe*, as an argument why direct abrogation should be permitted. If the same result could be achieved through *qui tam* suits, he argued, why bother with a rule against direct abrogation? See Jonathan R. Siegel, *The Hidden Source of Congress's Power to Abrogate State Sovereign Immunity*, 73 TEXAS L. REV. 539 (1995).

398. See Siegel, *supra* note 16, at 81 ("If the case of *Jones v. State* is constitutionally forbidden, one might think that it could hardly help to reconstitute the action as *United States ex rel. Jones v. State*. The case would simply be the same case with a different caption."). Although Professor Siegel contends that "[t]he *qui tam* action is different from the direct private action because of the different interests it serves," *id.*, this distinction is not persuasive. After all, many statutes that confer a direct cause of action on private individuals are nonetheless designed to vindicate the sovereign interests of the United States through the device of the private attorney general. Siegel thus falls back upon the claim that "even if the *qui tam* action did differ only in the caption, the change in caption would, in fact, be enough to legitimate it. In the field of state sovereign immunity, it is commonplace for a permitted action to be the exact practical equivalent of a forbidden one." *Id.* at 81. This response is unpersuasive as well, for the reasons stated in the text.

A suit which is commenced and prosecuted against a State in the name of the United States by those who are entrusted with the constitutional duty to “take care that the Laws be faithfully executed,” U.S. Const. Art. II, § 3, differs in kind from the suit of an individual Suits brought by the United States itself require the exercise of political responsibility for each suit prosecuted against a State, a control which is absent from a broad delegation to private persons to sue nonconsenting States.³⁹⁹

Professor Siegel concedes that this language “seemed to have been inserted especially to facilitate the killing of *qui tam* suits against states.”⁴⁰⁰ The Court’s observation is consistent with the view that political safeguards, while no longer the *only* protection for states in the constitutional scheme, continue to have an important role to play.⁴⁰¹ By requiring an “exercise of political responsibility” each time a state is sued on the United States’ behalf, the Court’s view raises barriers of bureaucratic inertia⁴⁰² and creates a point at which political actors sympathetic to state interests may intervene to prevent or temper particular lawsuits. Siegel’s substitute—which would require only a single, wholesale political decision when Congress enacts a general *qui tam* statute⁴⁰³—does neither of these things.⁴⁰⁴

399. *Alden v. Maine*, 527 U.S. 706, 755-56 (1999). The Court was even more explicit in *Blatchford v. Native Village of Noatak*, 501 U.S. 775 (1991), in which it rejected an Indian tribe’s argument that the federal government had delegated to it the power to sue a state. The Court stated:

We doubt . . . that sovereign exemption [for suits by the United States] can be delegated—even if one limits the permissibility of delegation . . . to persons on whose behalf the United States itself might sue. The consent, “inherent in the convention,” to suit by the United States—at the instance and under the control of responsible federal officers—is not consent to suit by anyone whom the United States might select; and even consent to suit by the United States for a particular person’s benefit is not consent to suit by that person himself.

Id. at 785.

400. Siegel, *supra* note 16, at 85.

401. See Young, *State Sovereign Immunity*, *supra* note 11, at 42 (arguing that “at the end of the day, the states must rely primarily—even if not exclusively—on the political process for protection of their authority”).

402. See *id.* at 23-25 (arguing that mechanisms adding to governmental inertia at the federal level are important “political safeguards” for states).

403. See Siegel, *supra* note 16, at 87.

404. See *United States ex rel. Stevens v. Vermont Agency of Natural Res.*, 162 F.3d 195 (2d Cir. 1998), *rev’d*, 529 U.S. 765 (2000). Judge Weinstein stated in dissent that:

The government’s lack of full control over the course of the litigation undermines the ability of federal congressional representatives . . . to use the legitimate political process of our federalism to influence the discretionary decisions of the Executive Branch in favor of state interests. The result is the frustration of the complex and sophisticated process of influence and negotiation that plays an integral part in the work of our current federal system.

Id. at 229.

Last term, the Supreme Court considered a *qui tam* suit against the State of Vermont under the False Claims Act.⁴⁰⁵ The Court ultimately avoided the question whether such a suit would be constitutional, finding instead that the Act failed to designate state governments as proper defendants in such actions with the degree of clarity required by the Court's pro-federalism clear-statement rules.⁴⁰⁶ The Court also invoked "the doctrine that statutes should be construed so as to avoid difficult constitutional questions."⁴⁰⁷ Although the Court was careful to "express no view on the question whether an action in federal court by a *qui tam* relator against a State would run afoul of the Eleventh Amendment," the majority's assertion of "'a serious doubt' on that score"⁴⁰⁸ does not bode well for *broader* proposals like Professor Siegel's, which raise more difficult problems than does the False Claims Act.⁴⁰⁹

Are there other ways—short of *qui tam* suits—to combine the resources and incentives of private plaintiffs with the immunity waiver enjoyed by the United States? Professor Siegel suggests that many of the goals of his *qui tam* proposal could be achieved if the United States retained private attorneys to represent it in suits on behalf of private parties.⁴¹⁰ Those parties, he adds, could be charged "a user fee for the services that [the United States] provides private parties in espousing their claims against states, and the fee could be equal to the fees and expenses of bringing the action."⁴¹¹ The only major difference between this proposal and the *qui tam* scheme, then, would be that federal officials would have to make the initial decision whether to bring suit and would retain the authority to control the litigation.⁴¹²

This distinction may well be the critical one. By reserving official control over the initiation of suit and the ultimate conduct of the litigation, the proposal seems to satisfy the Court's central concern with political responsibility.⁴¹³ A few clouds remain, however. First, some "political safeguards" theorists have suggested that one of the most critical political

405. *Vermont Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S. 765 (2000).

406. *Id.* at 766.

407. *Id.* at 787.

408. *Id.* (quoting *Ashwander v. TVA*, 297 U.S. 288, 348 (1936) (Brandeis, J., concurring)).

409. Indeed, Professor Siegel acknowledges, in a more "realistic" moment, that the Supreme Court is likely to hold *qui tam* actions against states to be unconstitutional. Siegel, *supra* note 16, at 94.

410. *Id.* at 95. According to Professor Siegel, "under numerous circumstances, the United States retains private counsel to represent it in litigation." *Id.* (collecting examples).

411. *Id.* at 96.

412. *Id.* at 101.

413. *See id.* (noting that "if a state defendant wished to attempt to use its political influence to get a case stopped, it could do so by lobbying the federal officials who could issue instructions to the government's counsel").

constraints on the federal government is the requirement that the federal government internalize the costs of its regulatory policies.⁴¹⁴ Resource constraints then become an important limiting factor on federal action—a constraint which Professor Siegel's private attorney/user fee proposal cleverly avoids.

Second, the Court said in *Printz v. United States*⁴¹⁵ that congressional efforts to enlist enforcement agents outside the federal executive branch would violate the principle of the unitary executive.⁴¹⁶ "That unity would be shattered," Justice Scalia wrote, "and the power of the President would be subject to reduction, if Congress could act as effectively without the President as with him, by simply requiring state officers to execute its laws."⁴¹⁷ Proposals that allow Congress to substitute private enforcement agents for federal executive officers raise some of the same dangers. Obviously, the *Printz* argument cannot be taken too far; extended to its limits, it would eliminate *all* uses of *qui tam* actions or private attorneys general. It does, however, provide a reason to worry whenever federal enforcement authority is ceded to private litigants, and to insist on meaningful federal control of the action.

We do not attempt conclusively to resolve these issues here. Rather, we merely suggest, first, that direct suits by the United States are unlikely except perhaps where they may help ensure compliance with our international obligations; and second, that Professor Siegel's more modest proposal for privately litigated but publicly supervised suits may offer hope on a broader front. Our endorsement of the latter proposal is necessarily qualified, however, and broad attempts to clothe private plaintiffs with the rights of the United States seem unlikely to succeed.

B. A Quick Word on Qualified Immunity

Finally, some have proposed that Congress abrogate a second sort of immunity: the "qualified immunity" enjoyed by individual state officers when sued for violations of federal law. As we explained earlier, none of the Court's recent state sovereign immunity cases has altered the long-standing rule that plaintiffs may obtain relief against individual officers of the state even when relief against the state government itself is barred.⁴¹⁸

414. See, e.g., Bruce La Pierre, *The Political Safeguards of Federalism Redux: Intergovernmental Immunity and the States as Agents of the Nation*, 60 WASH. U. L.Q. 779, 988-89 (1982).

415. 521 U.S. 898 (1997).

416. On the unitary executive principle, see generally Steven G. Calabresi & Kevin H. Rhodes, *The Structural Constitution: Unitary Executive, Plural Judiciary*, 105 HARV. L. REV. 1153 (1992).

417. *Printz*, 521 U.S. at 899.

418. See *supra* text accompanying notes 282-308; ERWIN CHEMERINSKY, FEDERAL JURISDICTION § 8.6, at 493-94 (3rd ed. 1999) (noting that plaintiffs must seek damages from individual state officers

Such officers may be sued in their official capacity for injunctive relief and in their individual capacity for money damages.⁴¹⁹ When officers are sued in their individual capacity, however, they may enjoy qualified immunity from suit—that is, “government officials . . . generally are shielded from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known.”⁴²⁰

Qualified immunity may play an important role if intellectual property holders whose rights are infringed by state actors must shift from suing the governmental entity to suing the officers who act upon its behalf. Two issues concerning that immunity demand attention here. First, as Daniel Meltzer has pointed out, it is “not entirely certain” that state officials are entitled to qualified immunity when they violate the federal intellectual property laws.⁴²¹ Second, assuming that state officials ordinarily *are* entitled to qualified immunity in intellectual property cases, some participants at the Patent & Trademark Office’s recent conference on state immunities have suggested that Congress abrogate this immunity by statute. We address each of these issues in turn.

*1. Are Officers Immune in Intellectual Property Cases?—As Professor Meltzer pointed out in his recent testimony before Congress, “[f]ederal law immunity doctrines have been defined primarily in connection with constitutional tort actions against state or federal officials and additionally, in the case of suits under state tort law, in actions against federal officials.”*⁴²² An initial question, then, is whether official immunity doctrines apply in

when the Eleventh Amendment provides a state government with immunity); 13A WRIGHT ET AL., *supra* note 64, § 3524; Meltzer, *supra* note 11, at 43; *see also* Jeffries, *supra* note 64, at 51 (“The real role of the Eleventh Amendment is not to bar redress for constitutional violations by states but to force plaintiffs to resort to [suits against state officers under] Section 1983.”).

419. *See* CHEMERINSKY, FEDERAL JURISDICTION, *supra* note 418, § 7.5, at 421-23 (discussing the distinction between official- and individual-capacity suits). In either case, 42 U.S.C. § 1983 provides the procedural vehicle for such suits.

420. *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982). The primary rationale for official immunity is that without it the threat of lawsuits would “dampen the ardor of all but the most resolute, or the most irresponsible, in the unflinching discharge of their duties.” *Gregoire v. Biddle*, 177 F.2d 579, 581 (2d Cir. 1949) (L. Hand, J.); *see also* Jeffries, *supra* note 64, at 73-78 (discussing the probable overdeterrence of government officers without qualified immunity). Government officials are sometimes entitled to absolute immunity for their actions, but this immunity is generally confined to legislators, prosecutors, judges, and police officers testifying as witnesses. *See* CHEMERINSKY, FEDERAL JURISDICTION, *supra* note 418, § 8.6.2, at 501-12; *see also* *Nixon v. Fitzgerald*, 457 U.S. 731 (1982) (holding that the President is absolutely immune for actions taken pursuant to his official functions).

421. *Meltzer Testimony*, *supra* note 87, at 13 n.7.

422. *Id.* *See also* *Berry v. Funk*, 146 F.3d 1003, 1013 (D.C. Cir. 1998) (making a similar observation in the course of denying qualified immunity on a statutory claim under the federal wiretap statute).

cases alleging a violation of federal *statutory* rights. That question, at least, appears to have a clear answer. In the Supreme Court's leading decision on qualified immunity, the Court said that officers must be shown to have violated "clearly established *statutory* or constitutional rights."⁴²³ And the lower federal courts have held the qualified immunity defense to be available against a wide variety of federal statutory claims.⁴²⁴

Even though qualified immunity is plainly available as a defense to some statutory claims, however, the courts have acknowledged that the defense is incompatible with certain federal statutes. The Fifth Circuit, for example, has determined that qualified immunity for state officials sued under the whistleblower-protection provisions of the False Claims Act would undermine that statute's purpose of encouraging whistleblowers to come forward; as a result, the court held the defense is unavailable in such cases.⁴²⁵ Professor Meltzer has suggested—without reaching any firm conclusions on the matter—that the intellectual property laws may be similarly incompatible with the qualified immunity defense because "the statutes establish a single remedial scheme, equally applicable to individual defendants who work for public and private organizations."⁴²⁶ Under these circumstances, he suggests, one might argue that "if individuals who work for a private corporation possess no such immunity, neither should public officials."⁴²⁷

423. *Harlow*, 457 U.S. at 818 (emphasis added).

424. See, e.g., *Blake v. Wright*, 179 F.3d 1003 (6th Cir. 1999) (Federal Electronic Communications Privacy Act); *Gonzalez v. Lee County Housing Auth.*, 161 F.3d 1290, 1299 (11th Cir. 1998) (Fair Housing Act); *Torcasio v. Murray*, 57 F.3d 1340, 1343 (4th Cir. 1995) (Americans with Disabilities Act and Rehabilitation Act); see also *Tapley v. Collins*, 211 F.3d 1210, 1215 n.9 (11th Cir. 2000) (collecting other decisions).

425. *Samuel v. Holmes*, 138 F.3d 173, 178 (5th Cir. 1998). The lower courts have also sometimes held that, when Congress provides for particular defenses under a federal statutory scheme, the courts should not infer further defenses—like official immunity—rooted in the common law. See *Berry*, 146 F.3d at 1013. In the *Berry* case, the D.C. Circuit held a qualified immunity defense unavailable against a claim under the federal wiretap statute on the ground that Congress had already provided an explicit statutory defense for good-faith reliance on a court order or similar legal authority. See *id.* (citing 28 U.S.C. § 2520(d)); but see *Tapley*, 211 F.3d at 1216 (rejecting this reasoning); *Blake*, 179 F.3d at 1011-12 (same). It is worth noting, however, that *Berry* involved not just any statutory defense, but a defense directly related to law enforcement. In that context, it seems sensible to infer that Congress meant to replace the common law qualified immunity defense with a more specific and limited version. To expand that principle to hold that Congress's creation of *any* statutory defense—whether or not closely related to law enforcement—impliedly preempts qualified immunity would run afoul of the longstanding requirement that Congress speak clearly in removing official immunity. See, e.g., *Buckley v. Fitzsimmons*, 509 U.S. 259, 268 (1993) ("Certain immunities were so well established in 1871, when § 1983 was enacted, that we presume that Congress would have specifically so provided had it wished to abolish them."); *Owen v. City of Independence*, 445 U.S. 622, 637 (1980) (same). We therefore would not infer that Congress intended to foreclose the qualified immunity defense, simply because the relevant statutes explicitly provide for certain general statutory defenses such as fair use.

426. *Meltzer Testimony*, *supra* note 87, at 13 n.7.

427. *Id.*

Such an argument is potentially available to foreclose qualified immunity under any federal statutory scheme that applies to both public and private entities. Yet the Supreme Court has at least implicitly rejected such arguments in the context of federal civil rights actions. Private individuals can sometimes be held liable in such suits, as long as they are acting "under color of state law."⁴²⁸ Nonetheless, the Court held in *Wyatt v. Cole*⁴²⁹ that "the rationales mandating qualified immunity for public officials [in Section 1983 suits] are not applicable to private parties."⁴³⁰ Specifically, the Court noted that the traditional concerns behind qualified immunity—the need "to preserve [public officials'] ability to serve the public good or to ensure that talented candidates were not deterred by the threat of damages suits from entering public service"—are not transferable to private parties.⁴³¹ In *Richardson v. McKnight*,⁴³² the Court added that private actors are less likely than public officials to be "over-deterred" in the performance of their duties by the threat of liability because private actors often have profit incentives that public officials do not share.⁴³³

To be sure, the usual policy justifications for qualified immunity may play out somewhat differently in the intellectual property context. Most important, the traditional concern with "protect[ing] the public from unwarranted timidity on the part of public officials"⁴³⁴ seems more compelling in the classic Section 1983 contexts than under the intellectual property laws.⁴³⁵ The cost of an "overly timid" university professor distributing fewer handouts to his classes, for example, seems significantly less serious than the risk of an "overly timid" police officer failing to detain or interrogate an armed and dangerous felon. Moreover, the "level playing field" argument—that where public officials are subject to the same regulation that private actors are, those officials ought not to have special defenses—may be more compelling in respect to intellectual property than under Section 1983. As we discuss at length in the next Part, cases like *Florida Prepaid* involve state actors in direct economic competition with private parties, and the addition of special defenses for public actors may

428. See, e.g., *Lugar v. Edmondson Oil Co.*, 457 U.S. 922 (1982) (holding that private parties who attached a debtor's assets pursuant to a state attachment statute were state actors for purposes of Section 1983 liability).

429. 504 U.S. 158 (1992).

430. *Id.* at 167.

431. *Id.*

432. 521 U.S. 399 (1997).

433. See *id.* at 409-10.

434. *Id.* at 408.

435. But see *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994) (suggesting that copyright law is generally concerned with preventing over-deterrence of potential defendants).

significantly distort the market for particular goods and services.⁴³⁶ Under Section 1983, by contrast, private actor liability is relatively rare, and the private actors are generally acting in concert with, or with authorization from, state actors rather than in competition with them.

These arguments certainly have some force, and they are legitimate points (if not overwhelming ones) for Congress to consider in deciding whether to *abrogate* qualified immunity in intellectual property cases by express statutory provision.⁴³⁷ We think that absent such an action, however, this reasoning is unlikely to convince a court to hold the traditional official immunities simply *inapplicable* in intellectual property cases. First, while it is true that over-deterrence of public officials may be less costly in the intellectual property context, the costs of *under*-deterrence seem correspondingly less weighty as well. Many Section 1983 suits, for example, involve basic individual rights enshrined in the Constitution and may implicate basic concerns about government adherence to the rule of law.⁴³⁸ While we do not wish to denigrate the importance of the interests protected by the federal intellectual property laws, these interests seem much more on a par with those involved in ordinary civil litigation. The costs of over- and under-deterrence in intellectual property cases, in comparison to those in other forms of federal litigation, thus do not seem to cut strongly for or against qualified immunity.

Second, the lower courts have not generally asked, in each different statutory context, whether the policy justifications behind qualified immunity are applicable or not. Rather, the inquiry seems generally to have focused on congressional *intent*—that is, whether the particular statute or its history reveals an intent to override traditional immunities.⁴³⁹ And the Supreme Court seems to have set the bar for finding such an intent fairly high.⁴⁴⁰ Although Congress is certainly capable of making its intent to abrogate qualified immunity clear in a new statute, it does not appear to have done so in existing law.

436. See *infra* notes 560-62 and accompanying text.

437. See *infra* notes 563-67 and accompanying text.

438. See, e.g., *Carey v. Phipus*, 435 U.S. 247, 266 (1978) (recognizing “the importance to organized society that [constitutional] rights be scrupulously observed,” even when the individual plaintiff has suffered no compensable injury).

439. See, e.g., *Gonzalez v. Lee County Housing Auth.*, 161 F.3d 1290, 1299 (11th Cir. 1998) (focusing on the fact that “[n]either the text nor the legislative history of section 3617 indicates that Congress intended to abrogate the qualified immunity to which executive-branch officials were entitled under common law”); *Berry v. Funk*, 146 F.3d 1003, 1013 (D.C. Cir. 1998) (focusing on Congress’s exclusion of an express statutory defense, not policy analysis, in rejecting a qualified immunity defense).

440. See, e.g., *Tapley v. Collins*, 211 F.3d 1210, 1214 (11th Cir. 2000) (observing that “the Supreme Court has said that the defense of qualified immunity is so well established, that if Congress wishes to abrogate it, Congress should specifically say so”) (citing *Buckley v. Fitzsimmons*, 509 U.S. 259, 268 (1993), and *Owen v. City of Independence*, 445 U.S. 622, 637 (1980)).

Third, the Supreme Court's opinion in *Wyatt* rejected a level-playing-field argument in the course of holding that private actors sued under Section 1983 may not assert a qualified immunity defense. Although the Court acknowledged the force of "principles of equality and fairness," it concluded that such concerns "are not sufficiently similar to the traditional purposes of qualified immunity to justify such an expansion."⁴⁴¹ At least some of those traditional purposes, moreover, may be served by according public officials immunity in intellectual property cases. There is surely at least some risk that, to the extent that "talented candidates [are] deterred by the threat of damages suits from entering public service,"⁴⁴² that could happen in the context of intellectual property suits as well. And the *Richardson* Court's observation—that the profit motive acts to counteract over-deterrence concerns for private actors but not public ones⁴⁴³—seems likely to hold true in most intellectual property situations.

We thus conclude that, under current law, state officials are probably entitled to assert a qualified immunity defense when sued under the federal intellectual property laws.⁴⁴⁴ Congress could, however, alter that situation by statute. We discuss whether Congress ought to do so in the next subsection.

2. *Selected Abrogation of Qualified Immunity.*—Qualified immunity is most important when the underlying substantive law that the officer is accused of violating consists of amorphous standards rather than bright-line rules; in such cases, the inevitable differences of opinion about what the law requires will generally foreclose a finding that the officer has violated clearly established law.⁴⁴⁵ Fuzzy copyright doctrines like fair use⁴⁴⁶

441. *Wyatt v. Cole*, 504 U.S. 158, 168 (1992). Some justices, moreover, eschewed such policy analysis, traditional or otherwise. Justice Kennedy (joined by Justice Scalia) explained in a concurring opinion that "[o]ur immunity doctrine is rooted in historical analogy, based on the existence of common-law rules in 1871, rather than in 'freewheeling policy choice[s].'" *Id.* at 170 (Kennedy, J., concurring) (quoting *Malley v. Briggs*, 475 U.S. 335, 342 (1986)). Although he acknowledged that the Court had departed from its historical focus in some prior cases, Justice Kennedy insisted that he "would not extend that approach to other contexts." *Id.* at 171. For these justices, the case for an intellectual property exception to qualified immunity would turn on a showing that such immunity was historically deemed inapplicable in intellectual property cases. Although we have not made any systematic inquiry on this point, we are unaware of any such evidence.

442. *Id.* at 167 (majority opinion).

443. See *Richardson v. McKnight*, 521 U.S. 399, 409-10 (1997).

444. At least two federal courts have assumed that qualified immunity is available to state officials who are sued under the federal intellectual property laws. See *Chavez v. Arte Publico Press*, 59 F.3d 539, 547 (5th Cir. 1995), *vacated on other grounds*, 517 U.S. 1184 (1996); *Lane v. First Nat'l Bank of Boston*, 687 F. Supp. 11, 15-17 (D. Mass. 1988), *aff'd on other grounds*, 871 F.2d 166 (1st Cir. 1989). Neither of these courts, however, discussed the arguments considered in the text for and against an exception for intellectual property claims.

445. See *Jeffries*, *supra* note 64, at 70.

446. See 17 U.S.C. § 107 (1994) (outlining factors to be considered under copyright's fair use doctrine).

thus seem a prime basis for qualified immunity defenses.⁴⁴⁷ Given the up-for-grabs state of fair use law, for example, it is hard to imagine a plaintiff successfully proving that a governmental official with a plausible fair use claim violated clearly established law. Comparably indeterminate issues likewise exist under the other major federal intellectual property schemes.

The potential for qualified immunity to play an important role in infringement suits against state officers motivates the call for statutory abrogation of qualified immunity defenses in intellectual property cases. There is no doubt that such a measure lies within Congress's power; qualified immunity is a doctrine of the common law, and as such it is subject to override by a duly enacted federal statute.⁴⁴⁸ In the previous subsection, we discussed some reasons to think that the traditional policy justifications behind qualified immunity might or might not be applicable in the intellectual property context, and all those reasons would be relevant to the question whether Congress should override qualified immunity by statute. In this subsection, we focus on an additional consideration that also seems highly relevant to that decision: the possible inequity of abrogating qualified immunity *only* in the intellectual property context, while ignoring the costs that it imposes upon other federal rightsholders in other sorts of cases.

The typical suit barred by qualified immunity does not involve patents or copyrights, but rather violations of basic constitutional rights by "street level" law enforcement officers.⁴⁴⁹ The plaintiffs are typically lower income individuals, racial minorities, or both.⁴⁵⁰ Given that

447. See, e.g., Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1106-07 (1990) ("Judges do not share a consensus on the meaning of fair use. Earlier decisions provide little basis for predicting later ones. Reversals and divided courts are commonplace. The opinions reflect widely differing notions of the meaning of fair use. Decisions are not governed by consistent principles, but seem rather to result from intuitive reactions to individual fact patterns.").

448. See, e.g., *Tapley v. Collins*, 211 F.3d 1210, 1214 (11th Cir. 2000) ("Of course, Congress creates and controls statutory causes of action and has the power to abrogate defenses, including the common law defense of qualified immunity, if it wishes to do so."); *Berry v. Funk*, 146 F.3d 1003, 1013 (D.C. Cir. 1998) (holding that Congress had abrogated qualified immunity by providing a narrower statutory defense); R. George Wright, *Qualified and Civic Immunity in Section 1983 Actions: What Do Justice and Efficiency Require?*, 49 SYRACUSE L. REV. 1, 6 (1998) ("Congress itself could easily expand and contract the scope of immunities through statutory means.").

449. See, e.g., Jon O. Newman, *Suing the Lawbreakers: Proposals to Strengthen the Section 1983 Damage Remedy for Law Enforcers' Misconduct*, 87 YALE L.J. 447, 459-62 (1978) (discussing qualified immunity as an impediment to excessive-force claims); Alison L. Patton, Note, *The Endless Cycle of Abuse: Why 42 U.S.C. § 1983 Is Ineffective in Deterring Police Brutality*, 44 HASTINGS L.J. 753, 759 (1993) (same).

450. See, e.g., Newman, *supra* note 449, at 454 ("Except in those rare instances when the party injured is the white, middle-class victim of police mistake, the section 1983 plaintiff is likely to be black or Puerto Rican, poor, disheveled, a felon, and often a drug addict.").

indemnification procedures generally exist to protect individual officers,⁴⁵¹ qualified immunity raises difficult issues about whether the cost of violations of federal rights ought to be shouldered by the community or by some of the most vulnerable members of our society. However one resolves these issues, it might seem unfair to exempt a particular class of plaintiffs—and in particular, a class that is far more likely to include relatively affluent individuals and corporations compared to the typical Section 1983 plaintiff—from the burdens of qualified immunity without revisiting the immunity issue more generally.

The situation is analogous to that in the *Texaco v. Pennzoil* litigation, in which Texaco—facing an \$11 billion jury verdict in Texas state court—filed a federal court action to enjoin enforcement of the state court judgment on the ground that it could not be expected to post a supersedeas bond equal to the judgment, as required by Texas law.⁴⁵² Texaco's claim ran contrary to a body of abstention doctrines limiting the ability of federal courts to interfere with state court litigation, "much of it rebuffing the efforts of poor people and civil rights litigants to bring federal challenges to the fairness of state procedures or state courts."⁴⁵³ As Doug Laycock has observed, "[g]ranted federal relief to Texaco, after turning away these other litigants, would have been an outrageous case of special justice for the rich."⁴⁵⁴ Laurence Tribe, briefing the case for Pennzoil in the Supreme Court, appropriately derided the proposed exception as "the Rule in Texaco's Case."⁴⁵⁵

It is hard not to see efforts to exempt intellectual property claims from the limits imposed by qualified immunity, while leaving qualified immunity intact (and even unexamined) as to those claims where its practical impact is most severe, as "the Rule in Microsoft's Case." Although we discussed some reasons to distinguish intellectual property from other contexts in the previous subsection, we found those reasons less than compelling. As Mark Brown has observed, "Immunities and exceptions that protect government and its officials in situations in which citizens would be held accountable send a poor message to the people. They smack of license and

451. See Jeffries, *supra* note 64, at 50 (concluding that "the state or local government officer who is acting within the scope of his or her employment in something other than extreme bad faith can count on government defense and indemnification").

452. See *Texaco, Inc. v. Pennzoil Co.*, 626 F. Supp. 250 (S.D.N.Y.), *aff'd in part and rev'd in part*, 784 F.2d 1133 (2d Cir. 1986), *rev'd*, 481 U.S. 1 (1987).

453. Douglas Laycock, *The Remedies Issues: Compensatory Damages, Specific Performance, Punitive Damages, Supersedeas Bonds, and Abstention*, 9 REV. LITIG. 473, 500 (1990) [hereinafter *Remedies Issues*].

454. *Id.*

455. Brief for Appellant at 35, *Pennzoil Co. v. Texaco, Inc.*, 481 U.S. 1 (1987), *quoted in* Laycock, *Remedies Issues*, *supra* note 453, at 527.

privilege.”⁴⁵⁶ What sort of message would it send to eliminate a class of those immunities, but only for a particular class of plaintiffs distinguished only by their superior legislative clout? If qualified immunity is to be eliminated or modified—and we remain agnostic on that question here—Congress’s inquiry should begin by taking account of the full sweep of that immunity’s impact on rich and poor alike. It might happen that elimination of qualified immunity in intellectual property cases would spur deliberation on a broader reform of official immunity doctrines, thus addressing our equity concerns. As a practical matter, then, the interests of the poor and disadvantaged in the elimination of qualified immunity might be better advanced by allowing this partial measure to succeed. After all, if intellectual property cannot be persuasively distinguished from other contexts where qualified immunity takes its toll, then Congress might have more difficulty rebuffing equity-based arguments for the *expansion* of qualified-immunity abrogation than it presently has in resisting calls for widespread abrogation as an initial matter. At the end of the day, however, we doubt that this scenario is sufficiently likely to offset the inequitable perception likely to arise from addressing the immunity question for more affluent plaintiffs *first*.

The Leahy Bill and similar proposals raise parallel equity concerns, insofar as they seek to overcome a general bar to remedies—state sovereign immunity—for only a relatively narrow and privileged class of plaintiffs. Given that most “street level” claims involving the poorest plaintiffs are likely brought against *local* governments not shielded by sovereign immunity, the disparity between the “typical” intellectual property plaintiff and the typical plaintiff barred by state sovereign immunity may not be so dramatic as it is for qualified immunity. This is only a partial answer, however. We have little doubt that Congress could effect a *general* abrogation of state sovereign immunity for *all* constitutional claims by amending Section 1983 to make clear that states are “persons” suable under the statute, notwithstanding their immunity.⁴⁵⁷ Because defendants are liable under Section 1983 only when the plaintiff proves an *actual* violation of federal law, such an amendment would be the ultimate example of case-by-case abrogation. To the extent that the general equity concerns we have raised are persuasive, Congress ought to consider this more general form of abrogation. Although such a broad restructuring of federal civil rights

456. Mark R. Brown, *The Failure of Fault Under § 1983: Municipal Liability for State Law Enforcement*, 84 CORNELL L. REV. 1503, 1540 (1999).

457. Such an amendment would overrule *Will v. Michigan Dep’t of State Police*, 491 U.S. 58 (1989), which held that states are not “persons” suable under § 1983, and *Quern v. Jordan*, 440 U.S. 332 (1979), which held that Congress did not, in enacting § 1983, clearly state its intent to abrogate state sovereign immunity.

law would raise many concerns outside the scope of this Article, many of the remedial issues discussed here would remain relevant.

IV. The Waiver Proposal

Alongside its abrogation provisions, the pending Leahy Bill also pursues a waiver strategy. As a condition on federal intellectual property protection for a state's own inventions, the bill would require the state to waive its immunity from suits charging it with violating the intellectual property rights of others.⁴⁵⁸ The obvious advantage of such a proposal is that it avoids the complicated requirements for abrogation under the Court's recent cases, as well as any attendant uncertainties over the extent to which Congress can fit the full panoply of current intellectual property remedies within the narrow confines of the Section Five power. Indeed, the Leahy Bill represents only one of a variety of conceivable ways to exploit this obvious advantage. At least two other methods by which Congress might seek to induce waiver of state sovereign immunity in intellectual property cases are readily apparent: conditional grants of federal funds, and conditional grants of federal permission for the state to engage in certain types of commercial enterprises.

Unfortunately, all approaches designed to induce states to waive sovereign immunity—the Leahy Bill, like the others—raise difficulties of their own. In particular, they implicate the fabled unconstitutional conditions problem, generally said to arise whenever government conditions a benefit on the offeree's surrender of a constitutional right.⁴⁵⁹ Presenting as it does a direct conflict between two powerful intuitions—first, that the greater power to withhold a benefit entirely includes the lesser power to withhold it on condition,⁴⁶⁰ and second, that the Constitution protects against indirect as well as direct attempts to infringe constitutional rights⁴⁶¹—the unconstitutional conditions problem is a

458. See *supra* notes 77-82 and accompanying text. Although we often speak in this Part about inventions, the subject matter of patent law, our analysis, observations, and examples generally apply with equal force to works of authorship protected by copyright.

459. See, e.g., Kathleen M. Sullivan, *Unconstitutional Conditions*, 102 HARV. L. REV. 1413, 1421-22 (1989). Although one would not want to ignore any number of possible distinctions between "states' rights" and individual rights, the Court's current majority has made clear that it conceives of a state's prerogative to assert sovereign immunity as a "constitutional right" for purposes of the unconstitutional conditions doctrine. See *Florida Prepaid*, 527 U.S. at 645. For this reason (among others) our present discussion thus assumes that unconstitutional conditions cases involving individual rights—such as free speech or abortion—are relevant (at the least) to problems of a similar structure involving states as rightsholders.

460. See, e.g., *Posadas v. Tourism Co. of Puerto Rico*, 478 U.S. 328, 345-46 (1986); Lynn A. Baker, *Conditional Federal Spending After Lopez*, 95 COLUM. L. REV. 1911, 1915 n.13 (1995) (discussing Chief Justice Rehnquist's affection for this argument).

461. See, e.g., *U.S. Term Limits, Inc. v. Thornton*, 514 U.S. 779, 829 (1995) (noting that "[c]onstitutional rights would be of little value if they could be . . . indirectly denied" and that "[t]he

famously intractable area of law.⁴⁶² Indeed, in recent years several leading constitutional theorists have argued that there is no *general* unconstitutional conditions problem, and that assessment of conditional benefit cases must be particularized to the narrow doctrinal context in which they arise.⁴⁶³ This Article is obviously not the place to resolve this important question. Although one of us has undertaken a more comprehensive analysis of the unconstitutional conditions issue elsewhere,⁴⁶⁴ we remain agnostic in this Article regarding the extent to which a single analytical framework can be usefully applied across doctrinal contexts. Nonetheless, as a purely descriptive matter, it is undeniable that in many areas of constitutional law courts have yet to make clear how conditional benefit cases should be analyzed.

In the conditional spending context, however, some aspects of constitutional doctrine *are* reasonably clear, thanks to the Supreme Court's decision in *South Dakota v. Dole*.⁴⁶⁵ Although we have doubts about whether the *Dole* test is a sensible one, we cannot be sanguine that it will be abandoned any time soon. So we begin, in Section IV.A, by examining attempts to induce waiver of state sovereign immunity through the conditional use of the federal spending power. We identify two meaningfully distinct types of approaches and explain that, in either case, the outcome of such induced waiver under *Dole* depends heavily upon the particulars of the conditional spending offer of the legislation ultimately adopted. We also identify one type of targeted spending condition likely to survive constitutional scrutiny.

We then turn, in Section IV.B, to the Leahy Bill. As there is no useful case law directly concerning congressional efforts to induce states to engage in certain behavior by conditioning non-monetary benefits like federal intellectual property protection, we begin by analyzing the proposal

Constitution nullifies sophisticated as well as simple-minded modes of infringing on constitutional protections") (internal quotation marks and citations omitted).

462. See, e.g., Seth F. Kreimer, *Allocational Sanctions: The Problem of Negative Rights in a Positive State*, 132 U. PA. L. REV. 1293, 1304 (1984) (remarking that unconstitutional conditions cases have "manifested an inconsistency so marked as to make a legal realist of almost any reader").

463. See Larry Alexander, *Impossible*, 72 DENV. U. L. REV. 1007, 1009 (1995); Frederick Schauer, *Too Hard: Unconstitutional Conditions and the Chimera of Constitutional Consistency*, 72 DENV. U. L. REV. 989, 990 (1995); CASS R. SUNSTEIN, *THE PARTIAL CONSTITUTION* 291 (1993); William P. Marshall, *Towards a Nonunifying Theory of Unconstitutional Conditions: The Example of the Religion Clauses*, 26 SAN DIEGO L. REV. 243, 244 (1989).

464. Mitchell N. Berman, *Coercion Without Baselines: Unconstitutional Conditions in Three Dimensions*, 90 GEO. L.J. 1 (forthcoming Nov. 2001) [hereinafter *Coercion Without Baselines*].

465. 483 U.S. 203 (1987). As discussed below, the *Dole* test presents difficulties in application because germaneness and coercion are far from self-defining. See *infra* text accompanying notes 477 & 483-85. But at least *Dole* does announce a specific way to analyze conditional exercises of Congress's spending power, which is more than can be said for conditional offers that implicate other constitutional provisions.

under the *Dole* test of conditional spending. But here our doubts about *Dole* assume greater significance. Even if they are not strong enough to prod the Court to overturn or substantially modify *Dole* itself, they might prove sufficiently compelling to weigh successfully against transporting the *Dole* test into a separate doctrinal area where, in any event, it is not an entirely comfortable fit. We therefore suggest other ways to analyze the Leahy waiver proposal, concluding that it is constitutionally suspect in its present form under each of these rubrics but could perhaps be modified to meet constitutional objections.

Section IV.C analyzes possible efforts to induce waiver through a form of conditional federal regulation—namely, offers to allow the states to engage in certain commercial activities (such as, perhaps, the college savings programs involved in *Florida Prepaid* and *College Savings Bank*) only on condition that they first waive immunity from intellectual property suits arising from those activities. We conclude that this approach is unlikely to be constitutional. Section IV.D is a brief summary.

A. Conditional Spending

Every year the federal government funnels a vast amount of money to state and local governments. In 1998, these cash transfers totaled close to \$270 billion.⁴⁶⁶ Often, these funds are used to induce the states to perform tasks they might not otherwise undertake, especially so as to achieve objectives that the federal government could not accomplish more directly. Congress could thus respond to *Florida Prepaid* and *College Savings Bank* by conditioning the amount of federal funding on a state's agreement to waive sovereign immunity in intellectual property disputes.⁴⁶⁷ Indeed, the Court practically suggested in *Alden v. Maine* that Congress employ such a maneuver to induce waivers for Fair Labor Standards Act suits.⁴⁶⁸ In this section, we begin (in Subsection IV.A.1) by introducing the Court's leading precedent on conditional spending, *South Dakota v. Dole*. The Court's analysis in *Dole* suggests that it should not be difficult to condition some federal funding in a manner that would encourage states to waive immunity in intellectual property suits, and we identify how this could be done in Subsection IV.A.2. Subsection IV.A.3 considers a rather different conditional spending strategy modeled on existing federal antidiscrimination statutes. Although a number of lower

466. See U.S. CENSUS BUREAU, U.S. DEP'T OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES 355 (119th ed. 1999).

467. See, e.g., Menell, *supra* note 17, at 1440-41; see also Meltzer, *supra* note 11, at 50-55 (anticipating this move after *Seminole Tribe*).

468. *Alden v. Maine*, 527 U.S. 706, 755-56 (1999); see also *College Sav. Bank*, 527 U.S. at 686.

courts have upheld the broad waiver-inducing provisions of these statutes, we argue that those decisions are likely inconsistent with *Dole*. We conclude, in Subsection IV.A.4, by propounding doubts about whether the *Dole* test for conditional spending is in fact a sensible one and whether it is likely to endure.

1. *The Dole Test.*—*South Dakota v. Dole* arose out of Congress's effort to induce all fifty states to raise their legal drinking age to twenty-one. Under modern notions of the Commerce Power, Congress would ordinarily have the power to mandate a national drinking age simply by enacting a federal statute.⁴⁶⁹ The problem was that the Twenty-First Amendment has been interpreted as arguably giving the states *exclusive* power to regulate alcoholic beverages.⁴⁷⁰ Congress thus sought to achieve national uniformity indirectly, by conditioning five percent of federal highway funding grants to a state government on the state's adoption of a minimum legal drinking age of twenty-one or higher. South Dakota sued Elizabeth Dole, then Secretary of Transportation, seeking to establish the unconstitutionality of the condition.

Writing for the Court, Chief Justice Rehnquist divined from the Court's precedents a five-part test for evaluating conditional spending legislation.⁴⁷¹ Under *Dole*, a conditional spending proposal is constitutional only if it:

- (1) is in pursuit of the general welfare,
- (2) announces its condition in unambiguous terms,
- (3) is not "unrelated 'to the federal interest in particular national projects or programs,'"⁴⁷²
- (4) does not violate any independent constitutional bar, and

469. This is probably true even under the Court's more restrictive recent decisions. See *United States v. Morrison*, 529 U.S. 598 (2000); *United States v. Lopez*, 514 U.S. 549 (1995). Congress would at least be able to regulate the *sale* of liquor to minors as a commercial transaction, whether or not it could also regulate mere possession or consumption. See *Morrison*, 529 U.S. at 613 (emphasizing that the commercial character of the regulated activity is the crucial factor in justifying Commerce Clause legislation).

470. See *Dole*, 483 U.S. at 205. The relevant part of the Amendment provides that "[t]he transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, *in violation of the laws thereof*, is hereby prohibited." U.S. CONST. amend. XXI (emphasis added). Because the Court upheld the spending condition in *Dole*, it did not need to reach the question whether this provision would actually preclude national drinking age legislation. See *Dole*, 483 U.S. at 206.

471. Nominally, *Dole* announces only a four-part test to which the condition of non-coerciveness is appended as an additional requirement. Whether we treat "the *Dole* test" as containing four or five prongs, the critical point is that, after *Dole*, conditional exercises of the spending power are constitutional only if they satisfy five separate conditions.

472. See *id.* at 207-08 (quoting *Massachusetts v. United States*, 435 U.S. 444, 461 (1978) (plurality opinion)).

(5) is not coercive.⁴⁷³

Applying this test, *Dole* upheld the statute at issue.⁴⁷⁴

2. *One way to satisfy Dole.*—Were Congress to try to craft a statutory scheme that required states to waive immunity in intellectual property cases in order to remain eligible for the full panoply of federal funds to which they would otherwise be entitled, it could satisfy three of the *Dole* requirements with ease. Such a scheme would clearly satisfy the first condition because the Court defers greatly to congressional determinations concerning what serves or frustrates the national welfare.⁴⁷⁵ The second condition—the clear-statement requirement—would be satisfied so long as the use of the spending power to induce a waiver of a state's sovereign immunity from suit was explicit.⁴⁷⁶ And the fourth requirement—that the spending condition not violate any independent constitutional bar—presents no obstacle because it merely “stands for the unexceptionable proposition that the [spending] power may not be used to induce the States to engage in activities that would themselves be unconstitutional.”⁴⁷⁷ Therefore, a congressional effort to induce waiver through the use of its conditional spending power would stand or fall upon the application of the relatedness (also called germaneness) and coercion prongs of *Dole*. Because these are heavily fact-specific inquiries, little can be said about them in the abstract, without reference to any concrete proposal. Nonetheless, a few remarks about germaneness and coercion might prove useful.

First, germaneness. Germaneness is a relational concept. That is, no single thing is or is not germane; something can be germane, or not

473. After announcing and applying its four-part test, the Court observed that “in some circumstances the financial inducement offered by Congress might be so coercive as to pass the point at which ‘pressure turns into compulsion.’” *Dole*, 483 U.S. at 211 (quoting *Steward Machine Co. v. Davis*, 301 U.S. 548, 590 (1937)). This formulation could be read to forbid only “compulsive” conditions, while authorizing (merely) “coercive” ones. But the remaining paragraphs of the majority's opinion are more naturally read to draw the line of prohibition between “encouragement” and “coercion,” which is how the case is ordinarily read. See, e.g., Thomas R. McCoy & Barry Friedman, *Conditional Spending: Federalism's Trojan Horse*, 1988 SUP. CT. REV. 85, 101.

474. See *Dole*, 483 U.S. at 211-12.

475. See *id.* at 208 (quoting *Helvering v. Davis*, 301 U.S. 619, 645 (1937)).

476. Although the clear-statement rule should not seriously impede Congress in responding to *Florida Prepaid*, it may have bite in interpreting pre-*Dole* statutes (since Congress might not have anticipated the requirement) or where federal administrative agencies seek to expand conditions after enactment of the relevant legislation. For general discussions of the functions and rationales of clear-statement rules see, e.g., Peter Smith, Pennhurst, Chevron, and the Spending Power, 110 YALE L.J. (forthcoming April 2001); Young, *Constitutional Avoidance*, *supra* note 307, at 1596-98.

477. *Dole*, 483 U.S. at 210. In other words, the state cannot be asked to perform an unconstitutional act—for instance, to restrict political speech. In contrast, as far as the U.S. Constitution is concerned, states are wholly free to waive their sovereign immunity. See, e.g., *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 65 (1996).

germane, only in relation to another. And because any conditional spending proposal incorporates several analytically discrete components—the condition imposed (*i.e.*, the “demand”), the thing offered (*i.e.*, the expenditure), and the thing threatened (*i.e.*, the withholding)—there are several possible candidate pairs to be assessed for germaneness. In *Dole*, the Court examined whether the condition was sufficiently related to the purposes for the expenditure and determined that it was: indeed, the Court concluded that the purpose for requiring the state to raise its minimum legal drinking age was the same as that for which the federal government expends highway funds to the states—to promote safe highway travel.⁴⁷⁸

Following this reasoning, germaneness presumably would be satisfied were Congress to condition federal funds to aid state research programs (say, in state universities where much of the intellectual property litigation against states arises)⁴⁷⁹ upon the state’s waiver of immunity in intellectual property suits. Both the condition and the expenditure are simply different ways “[t]o promote the Progress of Science and useful Arts.”⁴⁸⁰ The funding does so by directly subsidizing research; the condition does so by removing the dampening effect that assertions of sovereign immunity have on other would-be innovators.⁴⁸¹ By way of contrast, imagine that Congress demanded waiver of sovereign immunity in intellectual property suits as a condition for the state’s continued receipt of highway funds. Here, the purpose of the condition would still be to promote useful advances in arts and science, whereas the purpose of the expenditures (as *Dole* already determined) is to promote highway safety. Because this condition seems unrelated to the federal government’s purpose for conferring the benefit, it would be impermissible. Naturally, intermediate cases can fall between these two relatively clear poles.⁴⁸²

478. See *Dole*, 483 U.S. at 208 n.3 (noting that “[o]ur cases have not required that we define the outer bounds of the ‘germaneness’ or ‘relatedness’ limitation on the imposition of conditions under the spending power”).

479. See Menell, *supra* note 17, at 1435.

480. U.S. CONST. art. I, § 8, cl. 8.

481. See S. 1835, 106th Cong. § 2(a)(26) (1999) (“Violations of the Federal intellectual property laws by States . . . discourage technological innovation and artistic creation.”).

482. We do not mean to claim that our positions on either of the two examples we hypothesize are uncontestable. In the latter case, Congress could attempt to establish the requisite relatedness between condition and expenditure by arguing that highway funds also ensure more efficient highway travel, which contributes to national economic competitiveness, as does increasing incentives for innovation. See *id.* § 2(a)(1). In the former case, states could try to deny relatedness by contending, perhaps, that the purpose of any given funding is to promote the *particular* research being funded, or to promote research undertaken by a particular type of governmental entity, whereas the purpose of the condition is to increase incentives for other persons to engage in *other* research. There are no natural benchmarks by reference to which debates over the appropriate level of generality at which to assess relatedness can be conclusively or objectively resolved. Cf. LAURENCE H. TRIBE & MICHAEL C. DORF, ON READING THE CONSTITUTION 73-80 (1991).

If the conditional spending offer does manage to satisfy *Dole's* relatedness requirement, it will be adjudged constitutional so long as "the financial inducement offered by Congress [is not] so coercive as to pass the point at which 'pressure turns into compulsion.'"⁴⁸³ In *Dole* itself, the Court gave short shrift to coercion arguments, declaring simply that Congress's threat to withhold only five percent of the federal highway funds to which a state was otherwise entitled amounted to "relatively mild encouragement," not to forbidden coercion.⁴⁸⁴ Regrettably, though, nothing in Chief Justice Rehnquist's analysis for the majority suggests how far above five percent the point of compulsion might lie. In addition, the Court failed to announce whether the critical inquiry should always turn on the percentage of programmatic funds at stake (and, if so, why).⁴⁸⁵

In sum, Congress should be on safe ground under *Dole* were it to condition a relatively small percentage of funds specifically earmarked to promote research upon the state's waiver of immunity from suits brought charging violation of intellectual property rights.⁴⁸⁶ As the percentage of funds at risk increases above five percent,⁴⁸⁷ and as the condition attaches to monies funding activities that have a more tenuous relationship

483. *Dole*, 483 U.S. at 211 (quoting *Steward Machine Co. v. Davis*, 301 U.S. 548, 590 (1937)).

484. *See id.*

485. *Compare, e.g., Nevada v. Skinner*, 884 F.2d 445, 448 (9th Cir. 1989), *cert. denied*, 493 U.S. 1070 (1990) (complaining that *Dole* left unclear whether "the relevant inquiry turn[s] on how high a percentage of the total programmatic funds is lost when federal aid is cut-off? Or . . . on what percentage of the federal share is withheld? Or on what percentage of the state's total income would be required to replace those funds? Or on the extent to which alternative private, state, or federal sources of . . . funding are available?"), *with Comm. of Va. Dep't of Educ. v. Riley*, 106 F.3d 559, 570 (4th Cir. 1997) (en banc) (Luttig, J., dissenting) (asserting that "[t]he percentage of the total monies expended by the State for [a particular purpose] that is represented by the federal grant is irrelevant in assessing the coerciveness of the inducement, at least as it appears from the Court's opinion in *Dole*").

486. Concededly, withholding a specified percentage of research funds might prove administratively more difficult than withholding the same percentage of highway funds because highway funds are disbursed in accordance with a federally determined formula whereas research funding is often given in response to successful grant proposals formulated by individual grantees and submitted to a variety of federal agencies. We doubt, however, that these structural features of the research-funding process would prove an insurmountable obstacle to the type of condition we have here imagined. In any event, we reiterate that one could conceivably apply *Dole's* germaneness requirement in a way that would prevent Congress from conditioning research funds given to one state entity on waiver of immunity by a *different* state entity. *See supra* note 482; *cf. infra* Subsections IV.B.2. and IV.B.5.

487. Recent legislation suggests that Congress intends to hew closely to the 5% figure upheld in *Dole*. The 2001 Transportation Act enacted this past fall conditions comparably small percentages of federal highway funds on a state's adoption of a 0.08 blood-alcohol-content standard as the test for driving under the influence. *See* Pub. L. No. 106-346, § 351 (2000) (providing that a state that fails to adopt such a standard by 2004 will lose 2% of the highway funds to which it would otherwise be entitled, and that the percentage of withheld funds would increase by 2% for every year thereafter that the state still does not have a 0.08 BAC standard until it reaches 8%).

to promoting invention, the scheme is more likely to run afoul of coercion and germaneness limitations, respectively.

3. *One way not to satisfy Dole.*—In hypothesizing ways that Congress might be able to induce states to waive sovereign immunity in intellectual property cases in a manner that would satisfy *Dole*'s strictures we have thus far used *Dole* itself as a blueprint. But Congress might instead construct a statute by analogy to other federal laws that condition federal funding on limited waivers of state sovereign immunity. Existing federal antidiscrimination provisions provide the obvious model. As we explain, a statute derived in this manner would look very different from the type of statute we have already discussed. We conclude, furthermore, that it would probably not be consistent with *Dole*.

The antidiscrimination statutes we have in mind come in two parts. First, individual statutes all predicated on Title VI of the Civil Rights Act of 1964 prohibit various forms of discrimination by “any program or activity” that receives federal funding. So, for example, Title VI itself provides that no person shall be discriminated against on the basis of race, color, or national origin, “under any program or activity receiving Federal financial assistance,”⁴⁸⁸ Title IX of the Education Amendments of 1972 provides that no “education program or activity receiving Federal financial assistance” shall discriminate on the basis of sex,⁴⁸⁹ and Section 504 of the Rehabilitation Act of 1973 provides again that no “program or activity receiving Federal financial assistance” shall discriminate against any “otherwise qualified individual with a disability.”⁴⁹⁰ Second, Section 1003 of the Rehabilitation Act Amendments of 1986 provides generically that “[a] State shall not be immune under the Eleventh Amendment . . . from suit in Federal court for a violation of Section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, title VI of the Civil Rights Act, or the provisions of any other Federal statute prohibiting discrimination by recipients of Federal financial assistance.”⁴⁹¹ Without exception,⁴⁹² the

488. 42 U.S.C. § 2000d (1994).

489. 20 U.S.C. § 1681(a) (1994 & Supp. IV 1998).

490. 29 U.S.C. § 794(a).

491. 42 U.S.C. § 2000d-7(a).

492. A panel decision of the Eighth Circuit provided one exception until it was vacated by the en banc court late last year. *Bradley v. Arkansas Dep't of Educ.*, 189 F.3d 745 (8th Cir. 1999), *rev'd sub nom Jim C. v. United States*, 235 F.3d 1079 (8th Cir. 2000) (en banc). As we explain shortly, *see infra* text accompanying notes 507-11, we believe that the en banc dissent was correct on the ultimate question of whether Section 1003 induces a valid waiver of state sovereign immunity. Even if that is right, however, there is little doubt that the panel majority rested its conclusion on an erroneous reading of the statute for reasons the en banc majority pointed out. *See Jim C.*, 235 F.3d at 1082; *see also Stanley v. Litscher*, 213 F.3d 340, 344 (7th Cir. 2000).

federal courts of appeals that have addressed the issue in the wake of *Seminole Tribe* have interpreted Section 1003's purported abrogation as equivalent to a spending provision that conditions federal assistance on agreement to waive sovereign immunity,⁴⁹³ and have held as a consequence that any program or activity that receives federal funds has waived sovereign immunity in suits alleging any violation of the referenced antidiscrimination statutes.

Following this lead, Congress might respond to *Florida Prepaid* by explicitly prohibiting any "program or activity receiving Federal financial assistance" from violating federal intellectual property rights, and also providing that any public program or activity that does receive federal funds must explicitly agree to waive sovereign immunity in suits alleging violations of federal intellectual property rights. This approach would differ from the approach we hypothesized in the previous subsection—which would condition some percentage of federal funding for university research on immunity waiver—in three respects. It is narrower in that it requires waiver only by the "program or activity" receiving federal funds whereas the earlier statute would use the receipt of federal research funds by one state entity as a hook with which to require waiver by every other state entity. However, it is broader both because the condition attaches to the receipt of any and all federal grants to the program or activity, not just to some narrowly described category of funding, and because all such funds, not merely some relatively small percentage, are lost by noncompliance. In any event, if courts have been correct that Section 1003 extracts valid waivers of immunity, this hypothetical statute would seem to be valid too.

There is one puzzle though. The courts that have upheld Section 1003 have all but ignored the five-part test mandated by *Dole*, relying instead upon a seemingly less restrictive rule furnished by *Atascadero State Hospital v. Scanlon*,⁴⁹⁴ a decision that preceded *Dole* by two years. *Atascadero* had held that a prior version of the Rehabilitation Act had not succeeded in making states subject to suits for monetary relief because it had not "manifest[ed] a clear intent to condition participation in the programs funded under the Act on a State's consent to waive its constitutional immunity."⁴⁹⁵ Because Section 1003 was enacted in direct response to *Atascadero*,⁴⁹⁶ courts have tended to assess its validity only

493. The courts had either held, or assumed *arguendo*, that Section 1003 is not a valid abrogation of state sovereign immunity. If they were wrong on that question, then there would be no reason to apply the *Dole* analysis. This discussion proceeds on the assumption that direct abrogation of sovereign immunity under these statutes would not be constitutional.

494. 473 U.S. 234 (1985).

495. *Id.* at 247.

496. *See, e.g., Lane v. Pena*, 518 U.S. 187, 198 (1996).

by reference to the *Atascadero* clear-statement rule. Finding the intent behind Section 1003 sufficiently clear, they have consequently found the waiver valid.⁴⁹⁷ The opinions do not discuss coercion or germaneness at all.

Yet this seems problematic.⁴⁹⁸ *Dole*, after all, had upheld a highway bill that conditioned a mere five percent of funds on the recipient's adoption of a 21-year-old minimum drinking age. But under the Section 1003 scheme a program that is unwilling to accept the conditions (not to discriminate, and to waive immunity in suits alleging that they have) loses *all* the federal funds it might otherwise receive. This seems almost certainly to pass the point at which pressure becomes compulsion.⁴⁹⁹ Furthermore, suppose, for example, that the only federal funds a particular state program or activity receives are Department of Energy grants to experiment with geothermal power.⁵⁰⁰ How could waiver of immunity in suits alleging discrimination in employment practices be germane to the purposes behind that funding statute?⁵⁰¹ Perhaps the responses to these objections is that *Dole* does *not* apply in this context. The question then, of course, is why not.

These are difficult questions, adequate treatment of which would consume more space than we can give them here. It might help, however, to situate Section 1003 within a network of possible ways to use the spending power to induce waiver of sovereign immunity. Imagine three types of conditions on the disbursement of federal funds. First, Congress may impose limits on what the funds are used to accomplish. For

497. See, e.g., *Stanley v. Litscher*, 213 F.3d 340, 344 (7th Cir. 2000); *Clark v. California*, 123 F.3d 1267, 1271 (9th Cir. 1997) (holding that the express waiver provision of § 2000d-7 effects a valid waiver of immunity under *Atascadero*), *cert. denied*, 524 U.S. 937 (1998); *Litman v. George Mason Univ.*, 186 F.3d 544, 554 (4th Cir. 1999) (same); *Sandoval v. Hagan*, 197 F.3d 484, 492-94 (11th Cir. 1999) (holding that § 2000d-7 extracts valid waiver of immunity in Title VI suits, citing *Dole* and then applying only the clear-statement rule of *Atascadero*); *Jim C. v. United States*, 235 F.3d 1079 (8th Cir. 2000) (en banc) (same, with regard to Rehabilitation Act suits); *Beasley v. Alabama State Univ.*, 3 F. Supp. 2d 1304 (M.D. Ala. 1998).

498. For a recent insightful opinion, albeit in dissent, making each of the following two points, see *Jim C.*, 235 F.3d at 1082-85 (en banc) (Bowman, J., dissenting).

499. But see, e.g., Kimberly Sayers-Fay, Comment, *Conditional Federal Spending: A Back Door to Enhanced Free Exercise Protection*, 88 CAL. L. REV. 1280, 1300 (2000) (discussing cases that have upheld schemes that threaten to withhold 100% of program funds on a state's failure to comply with specified conditions, reasoning essentially that the coercion inquiry is not judicially manageable).

500. Compare, e.g., *Moreno v. Consol. Rail Corp.*, 99 F.3d 782, 784 (6th Cir. 1996) (en banc) (holding that Conrail's receipt of federal funds for railroad crossing improvements made it subject to suit for employment discrimination under the Rehabilitation Act).

501. As it happens, Congress has specifically provided that Title VI's ban on specified forms of employment discrimination attaches only "where a primary objective of the Federal financial assistance is to provide employment." 42 U.S.C. § 2000d-3 (1994). The Rehabilitation Act, however, does not contain any such provision and, therefore, is not similarly restricted. See *Consolidated Rail Corp. v. Darrone*, 465 U.S. 624 (1984).

example, federal grants to school libraries might provide that the funds be used only to purchase books (not, say, magazine subscriptions or furniture) or not be used to purchase sexually explicit material. Second and more broadly, Congress may impose side-constraints on the administration of the funded activity. Grants to fund an afterschool program, for example, might be disbursed on the condition that the afterschool program not discriminate on grounds, say, of race, national origin, sex, or disability. Third and even more broadly, Congress could impose side-constraints, not on the administration of the funded activity, but on other activities of the funded entity. Funds to help schools connect to the Internet, for example, might include the condition that recipients not engage in certain types of employment discrimination.

In sum, there can exist at least three types of conditions on the distribution of federal funds, what we might call respectively (1) a usage limitation, (2) a usage side-constraint, and (3) an entity side-constraint. This is, of course, a rough and tentative taxonomy. But even without staking a strong position on the extent to which other types of spending conditions might usefully be identified or whether even these three types are wholly distinct from one another, it is adequate for present purposes. For each sort of spending condition, furthermore, Congress might additionally require the state to waive sovereign immunity from suits alleging that the recipient has violated the conditions imposed.

With this as background, consider the Rehabilitation Act's close cousin, the Individuals with Disabilities Education Act (IDEA). The IDEA "provides federal money to assist state and local agencies in educating handicapped children, and conditions such funding upon a State's compliance with extensive goals and procedures."⁵⁰² It also confers a right of action upon a party alleging a violation of the procedural and substantive rights that the Act guarantees,⁵⁰³ and explicitly provides that "[a] State shall not be immune under the eleventh amendment to the Constitution of the United States from suit in Federal court for a violation of this chapter."⁵⁰⁴ The IDEA thus appears to impose a usage side-constraint on the receipt of federal funds.

As is the case in Rehabilitation Act suits, courts have uniformly held that the explicit abrogation provision of the IDEA extracts a valid waiver of sovereign immunity from states that accept covered funding because it is enacted under the spending power. In one Seventh Circuit case, for example, Judge Easterbrook cited *Dole*, but did not discuss any of its

502. Board of Educ. v. Rowley, 458 U.S. 176, 179 (1982).

503. 20 U.S.C. § 1415(e)(2) (Supp. V 1999).

504. 20 U.S.C. § 1403(a) (Supp. V 1999).

requirements, en route to declaring simply that “States that accept federal money . . . must respect the terms and conditions of the grant.”⁵⁰⁵

But this, of course, is too broad. If the IDEA included the condition that recipient states raise their minimum legal drinking age to 21, the condition would be invalid under *Dole*. That the condition were stated in the most explicit of terms and in bold, twenty-point type would not save it. Presumably the same would be true if the explicit terms of the IDEA required recipient states to waive sovereign immunity in all suits. Notwithstanding *Dole*, then, courts seem at sea when figuring out precisely how to analyze federal statutes that condition funds on states’ waivers of sovereign immunity.

Yet we are disposed to conclude that courts were right to uphold the waiver provision of the IDEA. That provision is designed to enforce requirements that federal funds be used for certain educational purposes (a usage limitation) and without engaging in certain forms of discrimination (a usage side-constraint). The lesson might be this: in usage-limitation and usage side-constraint cases, four requirements of the *Dole* test are necessarily satisfied.⁵⁰⁶ If so, then when assessing such statutes, the only question that courts need ask is whether the waiver provision is sufficiently unambiguous. In challenges to statutes like the IDEA, therefore, the clear-statement rule of *Atascadero* and the five-part test of *Dole* are in fact interchangeable. That is, *Dole* collapses into *Atascadero* because *Dole*’s additional requirements constitute the preconditions for *Atascadero*’s application. If this is right, then courts are correct to uphold the waiver provision of the IDEA after determining that it does in fact extract a waiver in sufficiently clear terms.

Given the similarities between the two statutes, it might seem to follow that the same is true of the Rehabilitation Act. Surely the Seventh Circuit saw it this way. Having already upheld the waiver provision of the IDEA, Judge Easterbrook explained in a subsequent case that because “[t]he

505. *Board of Educ. of Oak Park v. Kelly E.*, 207 F.3d 931, 935 (7th Cir. 2000); *see also, e.g.*, *Little Rock Sch. Dist. v. Mauney*, 183 F.3d 816, 831-32 (8th Cir. 1999).

506. As usual, the general welfare and no-independent-bar requirements will be easily satisfied. And the condition demanded will be germane to the purpose for which funds are expended because the waiver of immunity is demanded precisely as a means for enforcing the substantive requirements of the statute. (At least this is obviously so for usage limitations. Usage side-constraint cases are tougher. Whether a putative usage side-constraint is properly conceived as a more precise articulation of the purpose—*e.g.*, whether a funding purpose to provide afterschool activities for children, subject to the side-constraint that the afterschool activities not discriminate on the basis of race, is equivalent to a purpose to provide non-racially discriminatory afterschool activities—is a challenging question we need not resolve insofar as the direct focus of this discussion, as will become clear, is on entity side-constraints.) Why the spending condition (in usage-limitation and usage side-constraint cases) doesn’t pass the point at which inducement becomes compulsion is also a challenging question, but only because that standard for coercion is so peculiar. *See infra* text accompanying notes 514-17 and 540-47.

Rehabilitation Act is no different . . . from the IDEA," it "is enforceable in federal court against recipients of federal largess."⁵⁰⁷

But the Rehabilitation Act *is* different from the IDEA. Whereas we have suggested that the IDEA is a usage side-constraint conditional waiver statute, the Rehabilitation Act plainly imposes an entity side-constraint. Indeed, that is the precise import of the 1988 amendments⁵⁰⁸—adopted for the express purpose of overturning the Supreme Court's holding in *Grove City College v. Bell*⁵⁰⁹—which broadly define "program or activity" to encompass "all of the operations of," inter alia, a department or agency of a state or local government, or a public system of higher education.⁵¹⁰ The Rehabilitation Act therefore raises more profound germaneness concerns than does the IDEA. It follows that *even if* other types of spending statutes that condition federal funds on immunity waivers (very possibly including the superficially similar IDEA) can be assessed for constitutionality solely by reference to *Atascadero's* clear-statement rule without running afoul of *Dole*, that is not likely to be true of Section 1003. At the very least, we cannot know whether Section 1003 extracts a valid waiver without attending more closely than courts have done to the differences in the ways that federal statutes condition spending on waivers of sovereign immunity.⁵¹¹ In the meantime, Congress would be ill-advised to try to induce states to waive immunity in intellectual property suits by modeling a conditional spending provision on the broad "program or activity" provisions of existing federal antidiscrimination law.

507. *Stanley v. Litscher*, 213 F.3d 340, 344 (7th Cir. 2000).

508. The Civil Rights Restoration Act of 1987, Pub. L. No. 100-259, 102 Stat. 28 (1988).

509. 465 U.S. 555 (1984). *Grove City* had interpreted Title IX's "program or activity" limitation at a fairly high level of specificity, in effect as imposing a usage side-constraint. However, it justified its holding solely on the basis of statutory language and supposed congressional intent. *See id.* at 571-74. It did not so much as hint that a broader construction of "program or activity" might be unconstitutional.

510. 29 U.S.C. § 794(b) (1994); *see also* 42 U.S.C. §§ 2000d-4a, 6108 (1994); 20 U.S.C. § 1687 (1994).

511. We should emphasize that we do not intend to imply that entity side-constraints are necessarily unconstitutional. For example, in many cases where a usage side-constraint would be constitutionally permissible but rendered effectively unenforceable by the fungibility of money, it might be that an entity side-constraint should be upheld as a permissible means of preventing cross subsidization. Our point is only that courts will not attend carefully enough to questions of this sort if they view all programs that condition federal funds on a state's waiver of sovereign immunity as structurally identical. As evidence that courts are not sensitive to these potential variations, they frequently assume—incorrectly—that the Rehabilitation Act is itself a funding program. The Ninth Circuit, for example, rejected California's arguments that it had not waived immunity against Rehabilitation Act suits by noting airily "that the Rehabilitation Act includes an express waiver of Eleventh Amendment immunity which California accepted when it accepted Rehabilitation Act funds." *Clark v. California*, 123 F.3d 1267, 1271 (9th Cir. 1997), *cert. denied*, 524 U.S. 937 (1998); *cf.* *Litman v. George Mason Univ.*, 186 F.3d 544, 556 (4th Cir. 1999) (holding that Section 1003 operates as a valid waiver of immunity in suits alleging discrimination in violation of Title IX, because Congress may "conditio[n] federal grants on a state's consent to be sued in federal court to enforce the substantive conditions of the federal spending program").

4. *Doubts about Dole*.—Thus far we have merely sought to apply and to clarify existing spending power jurisprudence. But we think that a few critical comments about the *Dole* approach are also in order for a complex of reasons.

The narrowly practical reasons for raising doubts about *Dole* are easy to state. Simply put, as our colleague Lynn Baker has persuasively demonstrated, *Dole* just makes it too easy for Congress to circumvent constitutional limitations on its powers of direct regulation.⁵¹² For example, it would be child's play for Congress to attach strings to various education and law enforcement grants to states so as effectively to moot, respectively, *Lopez* and *Printz*.⁵¹³ If the Court cares about the real-world consequences, and not just the form, of its growing pro-states jurisprudence, it has ample reason to find some way to tighten *Dole*.

Moreover, we believe that *Dole's* functional inadequacy stems from the Supreme Court's failure to develop a theoretically satisfactory justification for the critical components of its test. The *Dole* Court pieced together its test from precedent, making scant effort to develop a coherent theory of unconstitutional conditions. Unfortunately, as subsequent developments came to indicate, the conceptual significance of the particular notions of both germaneness and coercion at work in *Dole* is open to substantial question.

That alternative conceptions of both of these notions are available is best illustrated by the Court's opinion in *Nollan v. California Coastal Commission*,⁵¹⁴ which was decided a mere three days after *Dole* and involved an application of the unconstitutional conditions doctrine in the

512. Baker, *supra* note 460, at 1914. This objection should have force whether or not one agrees with the Court's increasingly narrow interpretations of other congressional powers. The argument is that any interpretation of the spending power, U.S. CONST. art. I, § 8, cl. 1, that allows it so radically to undermine the limits that might exist on, say, Congress's Commerce Power, U.S. CONST. art. I, § 8, cl. 3, is implausible. The practical significance of this claim no doubt depends upon how broadly or narrowly one believes the Commerce Clause should be interpreted. Nevertheless, even proponents of broad federal power ought to agree that constitutional restrictions on governmental action—be they structural limits or limits derived from individual rights—ought not be rendered wholly nugatory by the spending power. Perhaps that is why Justice Brennan—a proponent of strong national powers vis-à-vis the states but an opponent of conditions on governmental benefits that burden individual rights—dissented in *Dole*.

Furthermore, to agree with Professor Baker's diagnosis is not necessarily to accept her proposed cure. Drawing from Justice O'Connor's dissent in *Dole*, see 483 U.S. at 215-16, Baker would deem unconstitutional any condition on federal spending that, "if accepted, would regulate the states in ways that Congress could not directly mandate under its other Article I powers," unless the spending would merely reimburse the states for the costs they would incur in seeking to realize the federal objectives. Baker, *supra* note 460, at 1916 & n.16. Conditioning federal funds upon a waiver of sovereign immunity would, of course, fail this test. But as we discuss only summarily *infra* text accompanying notes 518-19, we would remedy *Dole* differently. For criticism of Baker's approach, see Berman, *Coercion Without Baselines*, *supra* note 464, at Subsection V.A.1.

513. See, e.g., Baker, *supra* note 460, at 1915 & n.13.

514. 483 U.S. 825 (1987).

different context of land use exactions. In *Nollan*, the state of California refused to allow private property owners to build a larger house on their beachfront lot unless they conveyed a public easement across a portion of their private beach. The Supreme Court held this condition unconstitutional. Assuming that the state might constitutionally deny the requested building permit in order to promote the public's *visual* access to the beach, the Court per Justice Scalia nonetheless concluded that the state could not condition the permit on the landowner's grant to the public of *lateral* access across the beach. "[U]nless the permit condition serves the same governmental purpose as the development ban," the Court reasoned, "the building restriction is not a valid regulation of land use but an out-and-out plan of extortion."⁵¹⁵

Notice that in *Nollan*, as in *Dole*, concepts of coercion ("extortion") and germaneness (what *Nollan* calls a "nexus" requirement)⁵¹⁶ drive the result. But the concepts themselves, as well as the relationship between them, are different. First, whereas the *Dole* inquiry into coercion concerns itself with the *magnitude* of the pressure brought to bear upon the offeree, coercion in *Nollan* seems to turn upon the *character* of that pressure. To see the difference, imagine that existing zoning regulations permitted houses of no more than 1000 square feet, that the Nollans had requested a variance for a 4000-square-foot house, and that the Coastal Commission had offered to let them increase their house to only 3850 square feet unless they conveyed the requested public easement. Under these circumstances, the reasoning approved in *Dole* would dictate a conclusion that the state's conditional offer was not coercive, because the state would be threatening to withhold only five percent of the benefit at issue (an enlargement beyond 1000 square feet). And yet Justice Scalia's reasoning in *Nollan* plainly mandates a contrary conclusion: because the permit condition would not serve the same purpose as the development ban, the state's offer remains extortionate.

Second, *Nollan* compares the offeror's purpose for imposing the condition with its purpose for *withholding* the benefit, not, as in *Dole*, with the government's purpose for *granting* it.⁵¹⁷ Third, while germaneness and coercion serve as independent, seemingly logically unrelated, conditions under *Dole*,⁵¹⁸ in *Nollan* they are closely linked functionally.

515. *Id.* at 837 (internal quotation and citation omitted).

516. *Id.*

517. *See supra* text accompanying note 478; *see also* *New York v. United States*, 505 U.S. 144, 167 (1992) (noting that "conditions must (among other requirements) bear some relationship to the purpose of federal spending").

518. *See, e.g., Baker, supra* note 460, at 1974 (noting that under *Dole*, "the 'germaneness' and 'coercion' inquiries are completely unrelated, and apparently are to serve as their own normative justifications").

Lack of germaneness is significant only because it is evidence (seemingly conclusive, in the Court's view) that the deal is coercive.

If the approach adopted in *Nollan* is basically correct, then germaneness and coercion are critically important in unconstitutional conditions cases, but not in the ways *Dole* said. To repeat, *Nollan* suggests that: (1) coercion is better understood as turning upon the wrongfulness of the act threatened, not upon its magnitude (measured as a percentage of the entire benefit available to the recipient); (2) the relevant elements to be assessed for germaneness are the condition and the denial of the benefit offered, not the condition and the granting of the benefit; and (3) the lack of germaneness has evidentiary significance in supporting an inference that the conditional offer is coercive, but has no operative significance of its own. Ideally, Spending Clause jurisprudence would be reshaped to reflect this.

However, an extended analysis of precisely how it should be revised, and how federal proposals to condition funds on waiver of state sovereign immunity might fare under this different spending doctrine, would consume more space than is warranted, given the uncertain prospects that the present Court will abandon *Dole*,⁵¹⁹ and the fact that no such spending legislation is pending.⁵²⁰ Why that is so is not obvious. It has been suggested to us by several people with experience on Capitol Hill that spending

519. Because any sensible revision to the *Dole* test would constrict rather than expand Congress's power under the Spending Clause, it is not likely to be supported by the four justices—Stevens, Souter, Ginsburg, and Breyer—who have usually opposed the Court's recent decisions restricting congressional power. *But cf.* *South Dakota v. Dole*, 483 U.S. 203, 212 (1987) (Brennan, J., dissenting) (agreeing with Justice O'Connor's more state-protective dissent, perhaps out of concern that a weakened unconstitutional conditions doctrine for states might also threaten individual rights). If that is right, the present Court will not get off the *Dole* unless that opinion's author, Chief Justice Rehnquist, changes his mind. Yet, as others have observed, Rehnquist's persistent commitment to greater-includes-the-lesser reasoning makes such a move far from certain. *See, e.g.,* Baker, *supra* note 460, at 1915 n.13.

520. It bears mentioning that a more stringent Spending Clause jurisprudence would not necessarily vitiate all congressional efforts to use the spending power to induce at least limited waiver of state sovereign immunity in intellectual property cases. For example, even under Justice O'Connor's extremely restrictive view that "Congress has no power under the Spending Clause to impose requirements on a grant that go beyond specifying how the money should be spent," *Dole*, 483 U.S. at 216 (O'Connor, J., dissenting), Congress seemingly could dictate that states not expend any federal funds on research that employs or incorporates any property or process that has been challenged as violating federal intellectual property rights in a dispute in which the state imposed its sovereign immunity. Moreover, Congress surely could condition federal research funds on the state's promise not to secure federal intellectual property protection on any innovations that the federal dollars make possible. The Court has declared elsewhere that Congress may "insis[t] that public funds be spent for the purposes for which they were authorized," *Rust v. Sullivan*, 500 U.S. 173, 196 (1991), and there seems no reason why Congress could not characterize its purposes as promoting advances in learning for the public domain, or something of this sort. (But see *Legal Services Corp. v. Velazquez*, 2001 WL 193738 (Feb. 28, 2001), for a sense of some of the difficulties Congress might face when trying to characterize the purposes of legislation to which conditions are attached.) In either case, Justice O'Connor might further permit Congress to require States to waive immunity from suits alleging violation of the legitimate spending conditions. We discuss some other possible applications of Justice O'Connor's analysis in Subsection IV.B.2 *infra*.

conditions are more politically sensitive than many other options available to Congress when dealing with the states, although the precise reasons for this remain somewhat mysterious. It also seems likely that the intuitive appeal of the Leahy Bill's proposed swap of intellectual property rights for intellectual property waivers might have led some members of Congress to consider a conditional spending proposal unnecessary. Whether this intuitive appeal survives critical analysis we address in the next section.

B. *Conditional Intellectual Property Protection*

Although we think that Congress could probably craft some sort of conditional spending proposal to encourage states to waive immunity in intellectual property suits while satisfying the *Dole* strictures, we are aware of no present proposals along those lines. The Leahy Bill seeks to achieve the same end—waiver of sovereign immunity in intellectual property suits—but by conditioning federal intellectual property protection, not federal funds.⁵²¹ Under that proposal, states can enjoy federal protection for their own intellectual property if and only if they agree to make themselves subject to suits seeking to vindicate the federal intellectual property rights of others.⁵²² How this should be analyzed is presently an open question of constitutional law.

This Section addresses that question in five steps. The customary first step in any unconstitutional conditions inquiry is to determine whether the recipient of a conditional offer tendered by the government is constitutionally entitled to that which the government threatens to withhold regardless of whether she complies with the condition. If the answer is "yes," then the conditional offer can be adjudged unconstitutional without further analysis. For ease of exposition, we will say that the question is whether the government is offering to provide a "benefit" or, to the contrary, threatening to withhold an "entitlement." We explore this issue in Subsection IV.B.1. Although it is clear that intellectual property protection is not an *absolute* entitlement, it is arguably a *conditional* entitlement of the states in the sense that the federal government is obligated to provide it to them so long as Congress provides it to non-state

521. See *supra* notes 77-82 and accompanying text.

522. More precisely, the Leahy Bill provides, in relevant part, that a state can obtain new federal intellectual property rights if and only if it "opts into the Federal intellectual property system," by including with its application for intellectual property protection an assurance that it will waive sovereign immunity from suit in federal court in any action against that state arising under federal intellectual property law. S. 1835, 106th Cong. § 111 (1999). The bill further provides that breach of such an assurance would preclude the state from obtaining monetary remedies in any action to enforce a federal intellectual property right that the state owns (or has owned in the preceding five-year period), with the exception that federal intellectual property rights obtained by the state before the Act's effective date would not be affected. *Id.* § 113(b)(1)-(2).

entities. If that is so, then withholding the protection from the states while continuing to provide it to private parties would be unconstitutional and the conditional threat to do so is likewise unconstitutional. We conclude (albeit tentatively) that states do not have a conditional entitlement to federal intellectual property protection in this sense.

That conclusion, however, only allows the unconstitutional conditions analysis to proceed; it does not resolve it. That is to say, having determined that Congress has the constitutional authority to withhold intellectual property protection from states even while conferring it upon private entities, we are compelled to consider whether it may withhold that protection from a given state unless that state waives immunity. The remainder of this Section analyzes that question under a variety of frameworks derived from the general unconstitutional conditions case law.

Subsection IV.B.2 presents a very narrow test for conditional offers that might be derived from Justice O'Connor's *Dole* dissent, and shows that the Leahy Bill would fail it. Subsection IV.B.3 demonstrates that the Leahy Bill should not pass even the more lenient test supplied by the *Dole* majority, although it is conceivable that a majority of the present Court would uphold the bill even while purporting to apply *Dole*. This subsection also explains why we believe that *Dole* may not be readily transplanted from spending to other conditional benefit contexts. Subsection IV.B.4, accordingly, assesses the Leahy Bill under the *Nollan*-esque test of coercion briefly discussed earlier.⁵²³ After introducing the critical notion of an unconstitutional *penalty*, we explain why the Leahy Bill almost certainly threatens to impose a penalty on states that refuse to waive immunity in intellectual property cases, and hence is unconstitutionally coercive under *Nollan*. Subsection IV.B.5 evaluates the Leahy Bill under the "adequate alternative channels" test derived from First Amendment law. We show how these cases could be read to prohibit Congress from conditioning intellectual property protection on state-wide waivers of sovereign immunity, although we also raise some doubts about that approach.

1. *A Threshold Question: Can Congress Withhold Federal Intellectual Property Protection From States Alone?*—The unconstitutional conditions rubric assumes that the government is offering to provide something that it is free to withhold. As Dean Kathleen Sullivan puts it, the unconstitutional conditions problem only arises when government places conditions on the grant of a "benefit."⁵²⁴ This is implicit in "greater includes the

523. See *supra* Subsection IV.A.4.

524. See Sullivan, *supra* note 459, at 1421-22. Put another way, the puzzlement that provokes talk of an "unconstitutional conditions doctrine" arises only in the context of conditional offers of

lesser" reasoning⁵²⁵ and keenly reflected in one of the most famous epigrams to reflect that rationale. Over a century ago, Justice Holmes, then a member of the Supreme Judicial Court of Massachusetts, ruled that police officer McAuliffe could be terminated for engaging in political activity. The officer "may have a constitutional right to talk politics," Holmes declared pungently, "but he has no constitutional right to be a policeman."⁵²⁶ As it happens, this is no longer good law.⁵²⁷ But the critical point is that, even for Holmes, the result would have been different had the City of New Bedford offered, say, to allow Mr. McAuliffe to worship at the church of his choice so long as he refrained from talking politics. Freedom of worship is a clear constitutional right, not a "benefit" the government may withhold.

In a similar vein, states might argue that the intellectual property protection the Leahy Bill offers is also not a benefit. To be sure, federal intellectual property protection looks more like a benefit than does permission to worship. After all, Congress is empowered to offer special protection for intellectual property, but is not constitutionally obligated to do so.⁵²⁸ The states, then, must place heavy emphasis on principles of antidiscrimination—namely, that it is unconstitutional for Congress to prevent states *and only states* from obtaining federal intellectual property protection. Just as McAuliffe had a constitutional right to the free exercise of his religion, the argument would run, states have a constitutional right against the federal government not to be treated any worse than other entities. If this is so, then the offer of intellectual property protection advanced in the Leahy Bill is something other than a "benefit," and hence cannot be withheld.

Just this past term, in upholding the federal Drivers Privacy Protection Act, the Supreme Court pointedly reserved the question of whether Congress may enact legislation that applies only to states.⁵²⁹ There is

"benefits." When government conditionally threatens to withhold an "entitlement," the unconstitutionality of the proposal is palpable.

525. See *supra* text accompanying note 460.

526. *McAuliffe v. Mayor of New Bedford*, 29 N.E. 517, 517 (Mass. 1892). Likewise, the conditional spending test of *Dole* arises against the background rule that Congress is not constitutionally obligated to give the states money.

527. See, e.g., *Shelton v. Tucker*, 364 U.S. 479 (1960) (holding unconstitutional a state statute requiring public school teachers, as a condition of employment, to file an annual affidavit listing every organization to which they belonged or regularly contributed within the last five years).

528. See, e.g., S. 1835, 106th Cong. § 2(a)(12) (1999) ("Article I of the United States Constitution empowers, but does not require, Congress to offer Federal intellectual property protection to any person on such terms as appear reasonable and appropriate to serve the public interest by encouraging scientific and artistic innovation and promoting commerce and fair competition."); cf. *Goldstein v. California*, 412 U.S. 546, 559 (1973).

529. *Reno v. Condon*, 528 U.S. 141, 151 (2000). The circuits that had addressed that precise question had split. Compare *Condon v. Reno*, 155 F.3d 453, 461-63 (4th Cir. 1998) (approving a *per se* rule that Congress may not enact legislation that applies only to states), with *Travis v. Reno*, 163

something to be said for each side of this question. On the one hand, the “political safeguards of federalism” theory that the Court relied upon in *Garcia v. San Antonio Metropolitan Transit Authority*,⁵³⁰ might be thought to permit the federal government to subject the states only to regulations that apply generally to states and private parties alike.⁵³¹ On this view, a law that effectively excludes immunity-preserving states from certain benefits that private parties and immunity-waiving states enjoy would burden only states (albeit not all states) and would therefore be at least presumptively unconstitutional. On the other hand, general principles of nondiscrimination forbid only discrimination between *similarly situated* parties.⁵³² Because the states that would be denied federal intellectual property protection would be dissimilarly situated from all entities (public and private) that receive intellectual property protection—in the relevant respect that only they could employ that protection to work anticompetitive harm—treating them differently would not offend ordinary principles of equal treatment. Furthermore, because any state can ensure that it gets no worse treatment than private parties simply by agreeing to waive its sovereign immunity in the respects that the conditional proposal demands, political safeguards might well exist to protect the states from abusive federal legislation.⁵³³

F.3d 1000, 1005-06 (7th Cir. 1998); *State of Oklahoma ex rel. Oklahoma Dep’t of Public Safety v. United States*, 161 F.3d 1266, 1270-72 (10th Cir. 1998) (both upholding DPPA on grounds that it does not affect states’ sovereignty, nor does it discriminate against states or interfere with essential state function); *Pryor v. Reno*, 171 F.3d 1281 (11th Cir. 1999) (disagreeing). It bears mention, perhaps, that the Court seemed to go out of its way to conclude that the DPPA did not apply only to states. Doug Laycock has suggested to us that were the Leahy Bill amended to require even individuals to waive some sorts of “immunities” in exchange for intellectual property protection, such as those entailed by restrictions on personal jurisdiction, then it could possibly be construed not to apply only to states.

530. 469 U.S. 528 (1985); see generally Herbert Wechsler, *The Political Safeguards of Federalism: The Role of the States in the Composition and Selection of the National Government*, 54 COLUM. L. REV. 543 (1954).

531. See, e.g., *New York v. United States*, 505 U.S. 144, 160 (1992) (discussing that prior cases allowing federal regulation of states involved laws of general applicability); see also La Pierre, *supra* note 414, at 998-1014 (arguing that political safeguards might not function properly if Congress can single out the states for regulation not applicable to private entities).

532. The classic statement is Joseph Tussman & Jacobus tenBroek, *The Equal Protection of the Laws*, 37 CALIF. L. REV. 341, 344 (1949) (“The Constitution does not require that things different in fact be treated in law as though they were the same. But it does require, in its concern for equality, that those who are similarly situated be similarly treated.”).

533. Cf. *Travis*, 163 F.3d at 1003 (Easterbrook, J.) (upholding the DPPA, and reasoning that “[s]o long as public market participants are treated the same as private ones, they enjoy the protection the latter have been able to secure from the legislature”). To be sure, in some respects the Eleventh Amendment entitles the states to *better* protection than private entities, not merely to *no worse* treatment. But the critical respect might be only that the states, unlike private entities, cannot be compelled to litigate damage suits in federal court and cannot be “penalized” for refusing to waive this immunity. For a definition of penalty, see *infra* notes 556-57 and accompanying text.

In short, whether Congress may enact legislation that applies only to states is a difficult question, full treatment of which would consume more space than could be justified here. Were the Court to answer it in the negative, then the Leahy Bill would seemingly be unconstitutional—or at least subject to some form of heightened scrutiny that it would have grave difficulty satisfying. In contrast, a judicial determination that Congress may subject the states to special rules when there exist no similarly situated parties would only start the analysis. The whole point of the unconstitutional conditions doctrine is that the greater power to withhold a benefit entirely does not *always* include the lesser power to offer it on condition. The challenge then becomes how to determine whether the greater includes the lesser in this case.

2. *Restrictions on the Use of Federal Benefits.*—The obvious possibility would be simply to transplant *Dole*. Before doing that, however, it might be useful to consider a much narrower view of Congress's power, one represented by Justice O'Connor's *Dole* dissent. In Justice O'Connor's view, Congress's power to impose conditions on federal funding is limited to regulating "how the money should be spent."⁵³⁴ She explained that

[w]hen Congress appropriates money to build a highway, it is entitled to insist that the highway be a safe one. But it is not entitled to insist as a condition of the use of highway funds that the State impose or change regulations in other areas of the State's social and economic life because of an attenuated or tangential relationship to highway use or safety. [If] the rule were otherwise, the Congress could effectively regulate almost any area of a State's social, political, or economic life on the theory that use of the interstate transportation system is somehow enhanced.⁵³⁵

Although this approach was developed in the context of conditional spending, it might be exportable to the case of non-monetary benefits. Specifically, the recipient of a federal benefit could be subjected to restrictions on how the benefit itself may be used, but not on any of the recipient's other activities.⁵³⁶

With respect to federal intellectual property, states could thus be required not to use their patents, copyrights, etc. in ways inconsistent with federal policy. Congress could require, for example, that states not engage

534. *South Dakota v. Dole*, 483 U.S. 203, 216 (1987) (O'Connor, J., dissenting) (quoting an amicus brief submitted by the National Conference of State Legislatures).

535. *Id.* at 215.

536. See *supra* note 520 (discussing the import of O'Connor's view for spending-based approaches to induce states to waive immunity in intellectual property disputes).

in conduct that amounts to patent misuse under federal law.⁵³⁷ It would require an additional step to say that states also must waive their sovereign immunity for claims alleging such misuse; the immunity asserted is, after all, not itself the benefit conferred by the government. But this additional step strikes us as still being consistent with the narrow thrust of Justice O'Connor's proposal.

What Congress could *not* do, under this view, is take advantage of the states' need for intellectual property protection of their own in order to force immunity waivers in cases involving *other people's* intellectual property. Of course, the Leahy proposal does exactly this. Suppose, for instance, that the University of Texas wants to obtain a patent on a time machine invented by Nobel laureate Steven Weinberg. Suppose also that, out in the West Texas town of El Paso, the state public works department is being sued for using some copyrighted architectural plans without paying a royalty to the original author. Requiring the state to waive immunity in the latter situation has absolutely nothing to do with restricting the way in which the federal resource granted to the state—the patent on Professor Weinberg's invention—is used.

On this adaptation of Justice O'Connor's *Dole* dissent, the Leahy Bill plainly goes too far. Naturally, it remains to ask how much this matters. Justice O'Connor's view, after all, was articulated in a dissent which no other justice formally joined.⁵³⁸ But Justice O'Connor is frequently a swing vote on the Court,⁵³⁹ and if the Court determines that *Dole* needs tightening in order to prevent circumvention of its substantive federalism holdings in cases like *Printz* and *Lopez*, it might tighten in the direction of Justice O'Connor's approach. Furthermore, and perhaps more significantly, it is impossible to know whether even she might think the view she expressed in *Dole* is properly applied outside of the spending context.

3. *The Dole Test.*—Were the *Dole* test itself applied to the Leahy Bill, then here, as in the conditional spending hypotheticals, the fight would

537. See, e.g., *Mercoird Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 665 (1944) (stating that patent holders may not extend their patent beyond the legitimate scope of the patent monopoly by, for example, tying the purchase of non-patented goods to sales of the patented product); see also *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 156-58 (1948) (recognizing a similar doctrine of copyright misuse).

538. Justice Brennan separately dissented, noting his agreement with Justice O'Connor's view. He did not explicitly join that opinion, though. The remaining seven Justices joined in the majority opinion.

539. See, e.g., Lynn A. Baker, *Interdisciplinary Due Diligence: The Case for Common Sense in the Search for the Swing Justice*, 70 S. CAL. L. REV. 187, 203-07 (1996) (concluding that Justice O'Connor placed just behind Justice Kennedy as the Court's most powerful "swing justice" for cases decided in the 1994 and 1995 Terms).

come down to germaneness and coercion.⁵⁴⁰ *Dole*-style germaneness looks to be satisfied, as the federal government's purposes for conferring the benefit and for attaching the condition are precisely the same: namely, to promote useful invention. But coercion is more difficult to assess, for *Dole*'s seemingly exclusive focus on the percentage of federal benefit at stake seems particularly inapt in this situation.

In percentage terms, the Leahy Bill threatens to withhold federal intellectual property protection from one hundred percent of a state's future innovations. So if percentage of programmatic benefits is the touchstone for all coercion inquiries, this would pass the point of proscribed compulsion. By way of contrast, it would probably be permissible under this application of the *Dole* test for Congress to demand that states waive sovereign immunity in all intellectual property suits on pain of being denied patent protection on, say, every tenth (or twentieth) otherwise successful application. It follows, therefore, that whether it makes sense to apply *Dole* in this context depends, *inter alia*, on whether it makes sense to treat these two threats—*i.e.*, 100% or 10% denial of future protection—differently as a matter of constitutional law.

To be sure, the states would find a threat to withhold intellectual property protection from all of their innovations far more unattractive than a threat to withhold such protection from some relatively small percentage of their innovations. But that alone cannot be enough to justify a constitutional difference absent a "principled reason" to allow this consideration to "enter into [the] waiver analysis."⁵⁴¹ Since the relevant touchstone under *Dole* is whether the proposal is coercive, the principled reason might be based on the claim that the former offer gives the states "no choice" but to comply, whereas the latter does. In order to assess this argument, however, it is critical first to distinguish two varieties of the "no choice" claim.⁵⁴² In the first variety, the offeree might be said to have "no *rational* choice." Where one alternative (here, waiver of sovereign immunity) is thought to be so plainly more attractive than the other (here, ineligibility for federal intellectual property protection), the choice can be said to be dictated by reason itself. Put another way, one might be said to have no choice but to accept an offer where rejecting it would be manifestly irrational. The second situation in which choice is claimed to be absent arises when non-acceptance of the offer would prove, in some sense

540. See *supra* text accompanying notes 466-87.

541. *College Sav. Bank*, 527 U.S. at 684 (observing that there are various ways to "limit the evil" of abrogation or constructive waiver—including "limiting abrogation or constructive waiver to the last Friday of the month"—but concluding that such limitations would be constitutionally irrelevant).

542. See generally ALAN WERTHEIMER, COERCION 192-201 (1987). A third variety, exemplified by the original "Hobson's choice," arises when the offeree *literally* has no choice: "heads I win, tails you lose." This version is clearly not implicated here.

even if figurative, "suicidal," as when the gunman's victim complains that she had no choice but to hand over her wallet. Call this (for want of a truly apposite phrasing) "no *practical* choice." One who is confronted with "no practical choice" necessarily has "no rational choice" either, but the converse is not true. Neither of these formulations, we think, has traction here, but for different reasons.

Suppose first that the federal government's threat to withhold all federal intellectual property protection would present states with no rational choice but to agree to waive immunity in a specified class of suits. One problem is that a state might well have no rational choice but to accept even the less onerous threat, in which case the two threats are not constitutionally distinguishable. More significantly, this is essentially what South Dakota had argued in *Dole*. Yet by viewing as irrelevant South Dakota's observation that all states had in fact complied with the federal demand,⁵⁴³ the Court clearly signaled that the "no rational choice" claim is not constitutionally meaningful. Indeed, in other contexts where the unconstitutional conditions doctrine has arisen, the Court has routinely concluded that the absence of rational choice does not entail the presence of coercion.⁵⁴⁴

The "no practical choice" objection stands on different footing. In the instant context, the objection would run along the following lines: If a state refuses the federal demand and is consequently disabled from securing federal intellectual property protection, it would be unable to satisfy its basic obligations as a state, *i.e.*, to perform its essential sovereign functions. Let us suppose arguendo that this is a constitutionally meaningful claim. The problem here is that it seems implausible in fact. It is hard to credit that a state would be rendered unable to perform its role

543. See *South Dakota v. Dole*, 483 U.S. 203, 211 (1987).

544. See, *e.g.*, *Town of Newton v. Rumery*, 480 U.S. 386, 393 (1987) (rejecting the argument that a municipality's offer to dismiss criminal charges against a defendant on the condition that he release any civil claims he might have against the town was "inherently coercive," observing that "[i]n many cases a defendant's choice to enter into a release-dismissal agreement will reflect a highly rational judgment"); *Corbett v. New Jersey*, 439 U.S. 212 (1978) (upholding a state sentencing scheme which provides mandatory life imprisonment for a defendant convicted by a jury of first-degree murder while allowing for the possibility of a less severe sentence for a defendant who enters a plea of *non vult*; seemingly conceding that, for some defendants, the only rational choice would be to plead *non vult*, but denying that the scheme thereby coerces a waiver of the constitutional right to trial); *Maher v. Roe*, 432 U.S. 462 (1977) (upholding a state regulation that provided Medicaid benefits for pregnancy-related costs while denying funding for non-therapeutic abortions; seeming to concede the dissent's claim, *id.* at 483, that some "indigent women will feel that they have no choice but to carry their pregnancies to term," but rejecting the conclusion that the funding disparity thereby "operates to coerce" women not to exercise their constitutional right to choose an abortion); *cf.* *NEA v. Finley*, 524 U.S. 569, 596 (1998) (Scalia, J., concurring) (denying "that a threat of rejection by the only available source of free money would constitute coercion and hence 'abridgement' within the meaning of the First Amendment").

within the constitutional design just because it could not secure federal intellectual property protection for its innovations. After all, the Federal government voluntarily forswears intellectual property protection for many of its innovations—including *all* its copyrighted works⁵⁴⁵—and still manages to function as a government. The denial of intellectual property protection seems likely to hit the states hardest in their proprietary, rather than governmental, capacities. And however difficult it may be always to distinguish such functions in individual cases,⁵⁴⁶ it seems safe to say that proprietary functions like the Florida Prepaid operation generally lie far from the core constitutional concerns of state governance.

We are left, then, with our initial intuition that it is not sensible to have a constitutional rule that necessarily treats the threat to withhold federal intellectual property protection from *all* state innovations differently from a threat to withhold federal intellectual property protection from some relatively small percentage of state innovations. Application of the *Dole* test in this context, accordingly, produces results too arbitrary to lend confidence that it is the right test to apply.⁵⁴⁷

Of course, to conclude that *Dole* makes little sense when applied to conditional benefit offers like that at issue in the Leahy Bill is not necessarily to predict that the Court would not apply it. After all, the main stumbling block, we have suggested, lies with *Dole*'s particular approach to coercion, and the Court's commitment to that piece of the *Dole* test might be questioned. Even in *Dole* itself, recall, coercion was discussed almost as an afterthought; it did not comprise a formal part of the conditional spending test there announced.⁵⁴⁸ Moreover, when Justice O'Connor in dissent stated that she agreed with the test announced by the majority, and disagreed only with the Court's application of the

545. See *supra* note 343.

546. See *Garcia v. San Antonio Metro. Transit Auth.*, 469 U.S. 528, 548-49 (1985); *New York v. U.S.*, 326 U.S. 572, 579-80 (1946).

547. True, this same criticism has some force when leveled against the coercion prong of the *Dole* inquiry even when applied in the conditional spending context—which is one reason why so many courts have seemingly abdicated their obligation under *Dole* to undertake the inquiry into coercion. See *supra* note 497; *Kansas v. United States*, 214 F.3d 1196, 1202 (10th Cir. 2000) (concluding that “the coercion theory is unclear, suspect, and has little precedent to support its application”). But the objection that, as an argument against applying the *Dole* test outside the conditional spending arena it therefore proves too much, ought to be resisted. First, the peculiarity of the percentage-of-programmatic-benefits approach is rather more pronounced when applied to benefits that, unlike dollars, are not customarily divided into units. Indeed, by focusing on *patent* protection we have made the case for applying *Dole* to conditional intellectual property protection even *stronger* than it might be. Withholding *copyright* protection from every *n*th work seems even harder to imagine, given that copyright generally protects *every* fixed original work of authorship. Second, commitment to *stare decisis* necessarily entails that an argument of insufficient weight to overturn settled doctrine can still exert more than adequate force against applying that same doctrine to a novel context, which is what is at issue here.

548. See *supra* note 471.

germaneness requirement, she conspicuously failed to recognize any role for an inquiry into coercion.⁵⁴⁹ Finally, when in *New York v. United States*⁵⁵⁰ the Court next attempted, in a federalism context, to identify “the line distinguishing encouragement from coercion,”⁵⁵¹ it drew that line in a way that was even more deferential to Congress than had been intimated in *Dole*. In an opinion written by Justice O’Connor, the Court seemingly reduced coercion to the situation in which Congress offers a state the choice between two alternatives neither one of which Congress could compel the state to suffer.⁵⁵²

If the Court were to rewrite *Dole*’s coercion prong in this fashion, and to apply this modified *Dole* to the Leahy Bill, the bill would almost certainly survive. But even if the Court did not go quite that far, continuing to read *Dole* as prohibiting spending conditions that simply exerted “too much” pressure on states (even where the scheme did not put states to the choice between two independently unconstitutional alternatives as in *New York*) still nothing could prevent it from simply declaring that the pressure the Leahy Bill brings to bear does not pass the mythical line. And were the Court disposed to treat *Dole*’s coercion requirement as merely an invitation for courts to apply their intuition about “how much is too much” on a case-by-case basis, then *any* softening of the Leahy Bill—for example, by conditioning intellectual property protection for specific state entities on that entity’s waiver of immunity, or by conditioning individual types of intellectual property protection (*e.g.*, patent, copyright, plant variety, etc.) on a state’s waiver of immunity in suits challenging infringement of that same type of property—would make it even likelier to survive.

4. *The Nollan Approach*.—Having now conveyed a sense of how much wriggle room *Dole*’s discussion of coercion might leave the courts, let us shift attention from the analysis favored by *Dole* to that reflected in *Nollan*. Although *Nollan* is not pellucid on this point, we read its coercion test as geared to the wrongfulness of the act threatened—an approach that is in fact well-grounded in moral theory. In ethics, the moral wrong of coercion is often characterized as a threat to perform a moral wrong.⁵⁵³ This is not, it bears emphasis, tautological. As Charles Fried has explained, “when the moral depends on the moral there is always the

549. See *South Dakota v. Dole*, 483 U.S. 203, 212-13 (1987) (O’Connor, J., dissenting).

550. 505 U.S. 144 (1992).

551. *Id.* at 175.

552. *Id.* at 175-77.

553. See, *e.g.*, Martin Gunderson, *Threats and Coercion*, 9 CAN. J. PHIL. 247 (1979); Vinit Haksar, *Coercive Proposals (Rawls and Gandhi)*, 4 POL. THEORY 65, 68-70 (1976).

danger of a vicious circle. . . . But if a moral criterion is deeper, more general, *or at any rate independent* of the moral issue it determines, then there is no circularity at all."⁵⁵⁴ Generalizing from ethics to other normative systems, we could say that a conditional proposal is coercive—a *prima facie* wrong in any normative system, whether it be ethics, criminal law, or constitutional law—if it would be impermissible within that system for the offeror to carry out the threat.⁵⁵⁵ The classic example, of course, is the highwayman who threatens "your money or your life." The robber engages in a moral and legal wrong because he threatens to commit a moral and legal wrong.

If this is right, then the coercion question of importance to unconstitutional conditions cases is whether the government would be constitutionally permitted to carry out its threat. We have already started to look at this question by asking whether the proposal offers a "benefit," with a negative answer being tantamount to a conclusion that the offer is (constitutionally) coercive because the threat could not be carried out in conformity with the Constitution. But even a conclusion that the offer is of a benefit does not entail that Congress has constitutional *carte blanche* to withhold it. To explain this claim requires that we introduce another concept—that of a "penalty." As one of us has argued at length elsewhere, bedrock constitutional logic dictates that the state has a presumptive duty not to penalize the exercise of a constitutional right (nor to penalize a rightsholder for refusing to waive the right's protection).⁵⁵⁶ State action constitutes this presumptively forbidden penalty when it treats the rightsholder less favorably than it otherwise would for the purpose of punishing or discouraging the exercise of the right.⁵⁵⁷

554. CHARLES FRIED, *CONTRACT AS PROMISE* 97 (1981) (emphasis added).

555. See Mitchell N. Berman, *The Normative Functions of Coercion Claims*, at Part II (unpublished manuscript, on file with authors).

556. See Berman, *Coercion Without Baselines*, *supra* note 464, at Section IV.A.

557. Although the notion of a penalty turns upon judicial inquiry into governmental purposes, a full defense of the propriety and feasibility of purpose scrutiny cannot be attempted here. Two points deserve mention, though, one descriptive and the other normative. First, notwithstanding periodic expressions of skepticism about whether courts should or do inquire into the purposes behind legislative action, *see, e.g.*, *United States v. O'Brien*, 391 U.S. 367, 383 (1968), a vast amount of contemporary constitutional doctrine does in fact turn on precisely such inquiries. See Richard H. Fallon, Jr., *The Supreme Court, 1996 Term—Foreword: Implementing the Constitution*, 111 HARV. L. REV. 54, 91-94 (1997); *see also, e.g.*, Elena Kagan, *Private Speech, Public Purpose: The Role of Governmental Motive in First Amendment Doctrine*, 63 U. CHI. L. REV. 413 (1996) (arguing that most of First Amendment doctrine is best explicable as concerned with governmental purposes). Second, we believe that blanket opposition to judicial inquiry into legislative purposes is unjustifiable because, among other things, constitutional prohibitions speak in the first instance to political decisionmakers, not to courts, and therefore are violated when the decisionmakers pursue forbidden objectives or act for proscribed reasons. Indeed, most contemporary objections to purpose scrutiny are best understood as claims about the proper sources that the courts should look to when attempting to divine purpose. *See, e.g.*, Church

Assuming these views about coercion and penalty are correct,⁵⁵⁸ analysis of the Leahy Bill reduces to determining whether, when carrying out its threat to withhold intellectual property protection from a given state on its failure to accede to the waiver condition, the federal government would be imposing a penalty (as here defined) on that state's refusal to surrender its constitutionally protected immunity from suit. The answer is "yes" *unless* withholding intellectual property protection could be expected to serve a legitimate federal interest *even if* states stand firm in their refusal to comply with the federal demand. Put another way, the critical question is whether Congress would actually prefer that a state that cannot be bullied or seduced into waiving its immunity from suit not enjoy patent protection.⁵⁵⁹ To be sure, passage of the Leahy Bill would manifest that Congress prefers that a state both enjoy federal intellectual property protection and waive its immunity to the state's receiving intellectual property protection without waiving its immunity. But this is not the issue.

of the *Lukumi Babalu Aye, Inc. v. City of Hialeah*, 508 U.S. 520, 557-59 (1993) (Scalia, J., concurring in part and concurring in the judgment). For present purposes we are agnostic on the question of whether it is constitutional and feasible for courts to try to ascertain purposes from sources in addition to "external" evidence like text, structure, and effects.

558. Unfortunately, if these views are not correct—or, more to the point, if courts do not credit them—it is exceedingly difficult to predict how analysis of the Leahy Bill would proceed. Judicial decisions involving the unconstitutional conditions doctrine are notable mostly for the extent to which reasoned analysis is replaced by overbroad and conclusory assertions like "the greater includes the lesser" or "the government may not deny a benefit to a person because he exercises a constitutional right," *Regan v. Taxation With Representation*, 461 U.S. 540, 545 (1983), or by selective citation to the precedents either upholding or invalidating other conditional offers of benefits—criticisms that have been leveled by commentators from across the political spectrum. See, e.g., Richard A. Epstein, *The Supreme Court—Foreword: Unconstitutional Conditions, State Power, and the Limits of Consent*, 102 HARV. L. REV. 5, 10-11 (1988) (observing that the doctrine "roams about constitutional law like Banquo's ghost, invoked in some cases, but not in others"); Louis Michael Seidman, *Reflections on Context and the Constitution*, 73 MINN. L. REV. 73, 75 (1988) (remarking that unconstitutional conditions cases "display wildly inconsistent results"); Sullivan, *supra* note 459, at 1416 (claiming that "the doctrine of unconstitutional conditions is riven with inconsistencies").

559. Lest there be any doubt, to contemplate this inquiry is not inconsistent with social choice theory. Social choice theory does not insist, after all, that no stable and coherent preference hierarchies exist among multi-member bodies, only that they do not always exist. See, e.g., 1 KENNETH J. ARROW, *A Difficulty in the Concept of Social Welfare*, in COLLECTED PAPERS 1, 7 (1983) ("For any method of deriving social choices by aggregating individual preference patterns which satisfies certain natural conditions, it is possible to find individual preference patterns which give rise to a social choice pattern which is not a linear ordering."); Frank Easterbrook, *Statutes' Domains*, 50 U. CHI. L. REV. 533, 547 (1983) (asserting that it is "difficult, sometimes impossible, to aggregate . . . [individual desires of legislators] into a coherent collective choice" (emphasis added)). Therefore, that this question might prove unanswerable in many contexts does not mean it will be unanswerable in all. Furthermore, though we do not pursue the matter here, it might be most reasonable to frankly conceive of the object of the inquiry more as a social construct than as a fact of the matter existing independent of the interpreter. See generally Richard H. Pildes & Elizabeth S. Anderson, *Slinging Arrows at Democracy: Social Choice Theory, Value Pluralism, and Democratic Politics*, 90 COLUM. L. REV. 2121 (1990).

What we need to determine is whether Congress prefers that a state not receive federal intellectual property protection at all than that it receive protection without waiving its immunity. That is, would Congress actually have a reason for denying federal intellectual property protection from recalcitrant states other than to induce other states to play along? And there is *prima facie* reason to think not: the promise of intellectual property protection promotes innovation⁵⁶⁰—and innovation, supposedly, is good.

There is, however, a countervailing consideration sounding in norms of competitive fairness. To appreciate this reasoning, imagine a variation on *Florida Prepaid* in which the Florida Prepaid Postsecondary Education Expense Board and College Savings Bank each own federally protected intellectual property. Were Florida Prepaid a private entity, the battle between the two would be fair: all things being equal, the competitor with the superior intellectual property would be expected to prevail in the marketplace. But because Florida Prepaid is a state entity, and therefore entitled to immunity in any infringement suits brought by College Savings Bank, a danger emerges that Florida Prepaid might not be adequately deterred from infringing College Savings Bank's intellectual property.⁵⁶¹ The risk, in short, (to adopt Justice Scalia's colorful image from a different context) is that College Savings Bank would be constrained to play by the Marquis of Queensbury rules while Florida Prepaid fights freestyle.⁵⁶²

As always when inequality prevails, parity can be restored in two basic ways. Congress, as umpire, could give College Savings Bank the same legal tools as Florida Prepaid has to protect its intellectual property from infringement, or it could deny Florida Prepaid the federal protection that College Savings Bank effectively lacks. And this is nearly the choice that the Leahy Bill would offer the State of Florida: if Florida accepts the condition, College Savings Bank is made better off; if Florida rejects the

560. See, e.g., *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 429 (1984) ("The monopoly privileges that Congress may authorize are neither unlimited nor primarily designed to provide a special private benefit. Rather, the limited grant is a means by which an important public purpose may be achieved. *It is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.*" (emphasis added)).

561. To be clear, this claim does not depend upon the assumption that the state could infringe intellectual property rights of others wholly free of legal (and extra-legal) constraint. The point is only that different legal regimes deter intellectual property infringements more or less successfully. In theory at least, the state could enjoy greater *de facto* freedom to infringe the intellectual property rights of others even if such infringements are punished under state law in a form sufficient to satisfy requirements of due process. Indeed, the principal difference between the waiver and abrogation approaches is that the constitutionality of across-the-board abrogation depends upon the extent (actual or reasonably perceived by Congress) that intellectual property infringements by states rise to the level of due process violations, whereas the constitutionality of conditional waiver schemes turns only upon the frequency of state intellectual property infringements and their competitive significance.

562. Cf. *R.A.V. v. City of St. Paul*, 505 U.S. 377, 392 (1992).

condition, Florida Prepaid is made worse off. Competitive balance—as between these two players—is more closely realized either way. Thus, while carrying out its threat would disserve Congress’s interest in encouraging innovation by the states, it also (at least sometimes) would promote the federal interest in “establish[ing] a level playing field for everyone, including [the] States.”⁵⁶³ If Congress is genuinely willing to make that tradeoff, then withholding the benefit from any state that refuses the deal does not *penalize* that state’s refusal to relinquish its sovereign immunity, because the denial of federal intellectual protection is not undertaken for the *purpose* (as distinct from the mere knowledge) of discouraging or punishing the exercise of a constitutional right.

The final task, then, would be to evaluate the factual predicate: *is* Congress genuinely willing to make that tradeoff? That is, supposing that Congress enacts the Leahy Bill, and contemplates having to carry out its threat, would it actually prefer to check some innovation by states in order to buy a more level playing field, or would it consider that tradeoff acceptable only because withholding intellectual property protection from a non-waiving state would be likely to deter other states from similar recalcitrance? To be sure, even assuming as we do that the concept of congressional purposes is not hopelessly incoherent,⁵⁶⁴ there simply is no sure way to tell. But that does not mean that reasonably sound inferences are impossible. And the method of inference is obvious, requiring merely that the courts weigh the costs of carrying out the threat against the benefits.

This is not to invite courts to second-guess Congress’s assessment of where the public interest lies. Judicial attention to balancing in this context is for evidentiary purposes only. The critical question of fact, accordingly, is simply whether the information before Congress suggested that the risks described in our hypothetical variation on *Florida Prepaid* arise with sufficient frequency and in sufficient magnitude as to make plausible that body might genuinely have believed (not just pretextually claim to have believed) that they outweigh whatever costs in reduced innovation and the like that withholding intellectual property protection from a state would produce. If denying the states intellectual property protection would substantially discourage innovation while only trivially improving the relative posture of the states’ competitors, then the answer is probably “no.” This is the very same type of inquiry that the Court undertook in

563. S. 1835, 106th Cong. § 2(a)(13) (1999); *see also id.* § 2(a)(27) (“Some States have violated Federal intellectual property rights . . . and have refused to waive their constitutional immunities, thereby securing unfair economic advantages over other States and private entities with whom such States may be in competition.”).

564. *See supra* note 559.

City of Boerne v. Flores.⁵⁶⁵ It is an appropriate (though necessarily imperfect) way to gauge actual purposes.

The issue thus posed, the case for the Leahy Bill appears weak for at least three reasons. First, as we have already discussed, the bill contains scant evidence of the type of competitive harm we have described. Second, the federal action it threatens is more severe than necessary to equalize the positions of non-waiving states and their private competitors. Competitive balance would be restored more perfectly were the Leahy Bill amended to grant intellectual property protection even to non-waiving states, but to limit their remedies to those that would be available in suits against them.⁵⁶⁶ To go the additional distance of withholding intellectual property protection smacks of a penalty.

Third, even were it to appear that there exist many hypothetical Florida Prepays aggressively infringing the intellectual property rights of their private competitors and then ducking behind the shield of sovereign immunity, all the while relying upon federal law as a sword with which to deter infringements of their own intellectual property, the Leahy Bill still demands more extensive waivers of sovereign immunity than the rationale here developed can support. To continue with the metaphor, this rationale justifies, most straightforwardly, denying states the ability to use both sword and shield in the same battle; it does not seem to justify withholding the sword of intellectual property protection from states simply because they already have employed (or might yet employ) their shield of sovereign immunity against *just any* intellectual property holder. More concretely, then, the concern about competitive imbalances thus far developed would seem to be adequately addressed so long as a state agrees to waive its sovereign immunity in intellectual property suits *brought by competitors*. To demand, as the Leahy Bill does, that the state agree to waive sovereign

565. 521 U.S. 507 (1997). *City of Boerne's* holding that "RFRA is so out of proportion to a supposed remedial or preventive object that it cannot be understood as responsive to, or designed to prevent, unconstitutional behavior" rather than "to attempt a substantive change in constitutional protections," *id.* at 532, looks like pure actual-purpose review. Because the substantive effect of the law is so out of proportion to its prophylactic effect, the Court seems to say, we disbelieve the government's representation that Congress actually acted out of a prophylactic purpose. Elsewhere in the opinion, however, the Court sends a different signal, indicating that whether Congress actually had a prophylactic purpose is immaterial. *See id.* at 530 ("While preventive rules are sometimes appropriate remedial measures, there must be a congruence between the means used and the ends to be achieved. The appropriateness of remedial measures must be considered in light of the evil presented."). On this view, the judicially perceived over-inclusiveness of the congressional ban renders the statute inappropriate as an enforcement device no matter what Congress's actual motivation was. For the argument that the Court lacked the data to reach either of these conclusions, see Laycock, *Conceptual Gulfs*, *supra* note 11, at 746. In any event, we need not choose between these two readings for present purposes.

566. *See, e.g., supra* Subsection II.C.3 (noting that states remain subject to injunctive relief in most circumstances notwithstanding sovereign immunity).

immunity in all intellectual property disputes, thus including suits brought by intellectual property holders who are *not* competitors, is—at least as measured against this particular worry—gratuitous.

For all these reasons, we do not believe that the waiver provisions of the Leahy Bill as written can survive a *Boerne*-style overbreadth inquiry. Insofar as Congress would seek to justify a conditional waiver proposal on the strength of the competitive-imbalance story we have told in this section, it must at least develop better evidence that infringements by state organs of their private competitors' intellectual property rights is a real, not imaginary, problem. Moreover, it would be well advised to narrow its demand, perhaps by conditioning the conferral of federal intellectual property protection on a state's agreement to waive immunity from suits brought by plaintiffs claiming that they compete with the state in an identifiable market.⁵⁶⁷

5. *Adequate Alternative Channels.*—We have just advanced reasons to believe that the threat and demand components of the Leahy Bill are so broad as strongly to suggest, under a *Boerne*-style evidentiary inquiry, that it threatens to impose a penalty and hence is unconstitutionally coercive. Mention of overbreadth, however, immediately suggests a distinct but superficially similar charge that might be leveled against the Leahy Bill—namely, that it is fatally overbroad because the Constitution somehow requires that waivers be extracted state-entity-by-state-entity rather than from the state as a whole.

We have already seen that many statutes that condition federal funds on a state's waiver of its sovereign immunity proceed on an organ-by-organ basis.⁵⁶⁸ Under these statutes if, say, a particular state hospital agrees to waive sovereign immunity in a specified class of suits while a particular state university refuses, only the university, and not the hospital, would lose eligibility for federal funds. These statutory precedents might be enough to provoke an intuition that Congress should adopt a similar approach here. That is, perhaps the Leahy Bill's strategy of proceeding *en gross*—demanding waiver of immunity by an entire state as a condition for a single state entity to receive federal intellectual property protection—somehow renders it constitutionally infirm. This suspicion,

567. It might be added that, inasmuch as Congress would need to rely on the rationale that we have articulated here to support a conditional offer of intellectual property protection, it would seem unjustifiable to require states to waive sovereign immunity as a condition of receiving intellectual property protection for innovations that cannot be used in commercial competition. But this observation is more academic than practical, as it's likely impossible to determine *ex ante* that any particular innovation lacks potential commercial *application* (notwithstanding that much intellectual property is not in fact commercially *valuable*).

568. See *supra* text accompanying notes 488-90.

moreover, might claim further support from a trilogy of Supreme Court First Amendment cases that could be read as holding that a conditional benefit scheme is unconstitutional unless it has left some "adequate alternative channel" for the recipient of the benefit to engage in the protected activity without running afoul of the government's condition.⁵⁶⁹

In *Regan v. Taxation With Representation*,⁵⁷⁰ for example, Congress had denied the tax-exempt status usually accorded to nonprofit organizations to any such organization that engaged in political lobbying. Congress had thus placed a condition on a government benefit—the tax subsidy—which might deter expressive activity protected by the First Amendment. A unanimous Court upheld the condition against constitutional challenge. Chief Justice Rehnquist's majority opinion held broadly that "a legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right,"⁵⁷¹ and also noted that any otherwise eligible organization that engaged in some lobbying could retain 501(c)(3) status for its non-lobbying activities and still exercise its First Amendment rights through a separate affiliate.⁵⁷² Justice Blackmun (joined by Justices Brennan and Marshall) concurred in the judgment on the narrower ground. For them, the critical fact was that the legislative scheme allowed the nonprofit, *Taxation with Representation*, to split its activities between a tax-exempt entity, which would not engage in lobbying, and a non-exempt affiliate entity, which *could* lobby without jeopardizing its sister corporation's tax-exempt status.⁵⁷³

One year later, in *FCC v. League of Women Voters*,⁵⁷⁴ a narrowly divided Court struck down an amendment to the Public Broadcasting Act that forbade editorializing by noncommercial educational broadcasting stations that receive any grants from the Corporation for Public Broadcasting. Distinguishing *Taxation With Representation*, Justice Brennan's majority opinion explained that a recipient of "CPB grants is barred absolutely from all editorializing . . . [and] is not able to segregate its activities according to the source of its funding." By way of contrast,

569. See, e.g., *Velazquez v. Legal Services Corp.*, 164 F.3d 757, 766 (2d Cir. 1999), *aff'd*, 2001 WL 193738 (Feb. 28, 2001) (focusing on whether "the recipients are left with adequate alternative channels for protected expression" in upholding the majority of statutory restrictions on federal legal aid recipients); see also *Legal Aid Soc'y of Hawaii v. Legal Services Corp.*, 145 F.3d 1017, 1025-27 (9th Cir. 1998) (White, J., by designation).

570. 461 U.S. 540 (1983).

571. *Id.* at 549.

572. *Id.* at 544.

573. See *id.* at 552-54 (Blackmun, J., concurring in the judgment). Justice Blackmun insisted that "[a]ny significant restriction on this channel of communication [the non-exempt affiliate] would negate" the constitutionality of the overall scheme. *Id.* at 553.

574. 468 U.S. 364 (1984).

the Court continued, were Congress to amend the statute to “permi[t] noncommercial educational broadcasting stations to establish ‘affiliate’ organizations which could then use the station’s facilities to editorialize with nonfederal funds, such a statutory mechanism would plainly be valid under the reasoning of *Taxation With Representation*.”⁵⁷⁵

These precedents were relied upon when, in *Rust v. Sullivan*,⁵⁷⁶ the Court rejected a challenge to federal regulations prohibiting recipients of funds under Title X of the Public Health Service Act from engaging in abortion counseling or referral. Critical to the Court’s reasoning was the view that the challenged “regulations do not force the Title X grantee to give up abortion-related speech; they merely require that the grantee keep such activities separate and distinct from Title X activities.”⁵⁷⁷ “In contrast,” the Court observed, citing *Taxation With Representation* and *League of Women Voters*, “our ‘unconstitutional conditions’ cases involve situations in which the Government has placed a condition on the recipient of the subsidy rather than on a particular program or service, thus effectively prohibiting the *recipient* from engaging in the protected conduct outside the scope of the federally funded program.”⁵⁷⁸

One might apply a similar analysis to conditions on the grant of federal intellectual property rights to state governments. When the Patent and Trademark Office issues a patent to the University of Texas—say, a business method patent on a technique for writing overlong, tri-authored law review articles—it could probably require the University to waive its sovereign immunity in federal intellectual property suits. Such a requirement would be constitutional so long as the federal scheme allowed the state to exercise its constitutional right to immunity through alternative channels—that is, so long as other arms of the state were not bound by the University’s waiver.⁵⁷⁹ What Congress could *not* do, under this analysis, is precisely what the Leahy Bill does—require a blanket waiver of immunity that would be applicable to *all* state entities. The requirement that the recipient of a federal grant be allowed to segregate its activities so that some of those activities are unaffected by the grant conditions thus prohibits Congress from using a benefit to leverage restrictions on too broad a range of the recipient’s activities.

575. *Id.* at 400.

576. 500 U.S. 173 (1991).

577. *Id.* at 196.

578. *Id.* at 197.

579. Even this statement papers over the difficult question of whether, for purposes of this analysis, the relevant state entity is the University of Texas System, or the University of Texas at Austin, or the University of Texas at Austin School of Law. These complexities need not be resolved now, however, for the important point at present is only the negative assertion that follows in text: whatever the relevant entity, it’s *not* the State of Texas as a whole.

Although this conclusion is no doubt possible, the statutory and judicial precedents upon which it relies are contestable.⁵⁸⁰ The statutory precedents are the more easily dispensed with, for the mere fact that Congress has adopted a particular method for limiting the scope of the waivers demanded in conjunction with its antidiscrimination statutes can hardly establish that this precise sort of limiting device is everywhere constitutionally required. Indeed, turning from formal considerations to functional ones, it should be obvious that Section 1003 of the Rehabilitation Act⁵⁸¹ exerts far more pressure on the states to waive sovereign immunity in the class of cases with which it is concerned than would the Leahy Bill. After all, the set of state programs or activities untouched by Section 1003 must be small indeed, as probably precious few state programs receive *no* federal financial assistance. And if a program is affected, the pressure to submit is likely to be great, for each state program or activity that receives federal funding would lose *all* that funding if it refuses to waive sovereign immunity in suits claiming violation of any of the referenced antidiscrimination laws.

The relevance of the First Amendment case law is also uncertain for at least two reasons. First, those cases are susceptible of a different reading even in the context of subsidized speech. To be sure, the restrictions challenged in both *Taxation With Representation* and *Rust* were upheld in part because they carved out space for the organizations that received the benefits at issue to engage in the constitutionally protected activity outside the funded program. And *League of Women Voters* disapproved the ban on editorializing in part because the majority believed that a more tailored regulation could be crafted to permit greater alternatives for funded stations to engage in editorializing.⁵⁸² Perhaps revealingly, however, then-Justice Rehnquist—the author of *Taxation With Representation* and, later, of *Rust*—challenged precisely this conclusion. Dissenting for himself and two other justices, Rehnquist complained that “the Court’s approach ignores economic reality. . . . Given the impossibility of compartmentalizing programming expenses in any meaningful way, it seems clear to me that the only effective means for preventing the use of public moneys to subsidize the airing of management’s views is for Congress to ban a subsidized station from all on-the-air editorializing.”⁵⁸³

580. Mr. Young would read the subsidized speech cases in the way just described; Mr. Berman finds the analysis that follows more persuasive. Mr. Reese principally wishes they would stop arguing about it.

581. See *supra* note 491 and accompanying text.

582. See *supra* text accompanying note 575.

583. *League of Women Voters*, 468 U.S. 364, 406-07 (1984) (Rehnquist, J., dissenting).

In short, then, it is not clear that any member of the *League of Women Voters* Court embraced a rigid rule that a spending condition is necessarily unconstitutional (or even subject to heightened scrutiny) if it would not permit a funding recipient "alternative channels" through which to engage in the expressive conduct at issue. Instead, these cases could be understood as holding that the state is not allowed to demand a more expansive waiver than would be required to serve the state's legitimate and actual interests, as *ordinarily* would occur when a spending condition forecloses "alternative channels." Indeed, this is precisely what our analyses of the concepts of coercion and penalty would dictate. Here, the mere fact that the Leahy Bill demands waiver by a state *en gross* rather than state-entity-by-state-entity does not necessarily demonstrate that Congress is demanding more widespread waivers than necessary to achieve its supposed interest.⁵⁸⁴ Insofar as one state entity that has refused the condition and thus retains its immunity could then employ, as part of an anticompetitive course of conduct, intellectual property which was created or obtained by a different state organ, an approach that requires all state organs to waive immunity in order for one state organ to receive federal intellectual property protection does not necessarily threaten a penalty, hence does not constitute coercion, and should not be thought infirm under this reading of the First Amendment funding cases.

Second, even if *Taxation With Representation* and its progeny are correctly read to hold that a funding condition that does not leave "adequate alternative channels" is *per se* unconstitutional⁵⁸⁵ (or necessarily provokes the strict scrutiny that is fatal in fact), there are reasons to question whether, and how, this doctrine should be transplanted to cover benefit offers conditioned on a state's waiver of sovereign immunity. Most significantly, we cannot know how broadly to apply this rule into other

584. To reiterate, though, we have concluded that *other* aspects of the Leahy Bill do permit this inference.

585. The Court's 5-4 decision this term in *Legal Services Corp. v. Velazquez*, 2001 WL 193738 (Feb. 28, 2001), sends mixed signals on this question. In invalidating a condition that barred grantees of LSC funding from trying to amend or otherwise challenge existing welfare law, the majority did observe that, because an indigent client "is unlikely to find other representation" if an LSC-funded attorney withdraws, "with respect to the litigation services Congress has funded, there is no alternative channel for expression of the advocacy Congress seeks to restrict." *Id.* at *9. But Justice Kennedy's opinion conspicuously did not assert that this fact alone rendered the statute unconstitutional. Indeed, the bulk of Kennedy's opinion suggested that the majority was mostly troubled by the way this particular spending condition interfered with the lawyerly and judicial function, *see, e.g., id.* at *10 ("The attempted restriction is designed to insulate the Government's interpretation of the Constitution from judicial review. The Constitution does not permit the Government to confine litigants and their attorneys in this manner. We must be vigilant when Congress imposes rules and conditions which in effect insulate its own laws from legitimate judicial challenge."), and the likely presence of viewpoint discrimination, *see id.* at *5-6.

doctrinal contexts until we are clear about the rationales that support it in the First Amendment context itself. For example, insofar as an "adequate alternative channels" requirement is driven by concerns that expressive conduct is a public good that the offeree might not adequately value and therefore too readily abandon in exchange for the promised government funding,⁵⁸⁶ applying the rule to constrain conditions that would extract waiver of state sovereign immunity might be hard to justify.⁵⁸⁷ Furthermore, it is not even clear that the Leahy Bill would be construed to run afoul of an "adequate alternative channels" requirement if it did apply. That depends upon precisely what conduct by the state must be afforded alternative channels. To be sure, compliance with the Leahy Bill would close off all "alternative channels" through which a state would be permitted to assert sovereign immunity *in intellectual property cases*. But the bill plainly allows states more than adequate channels through which to assert sovereign immunity *simpliciter*—namely, in all cases not involving intellectual property rights. For all these reasons, the significance of the "adequate alternative channels" principle from the First Amendment cases remains intriguing but uncertain.

C. Conditional Commerce Clause Regulation

If the Leahy Bill is either struck down by the courts or not enacted, Congress might contemplate yet a third means to encourage states to waive sovereign immunity in intellectual property disputes, a method that responds to a second way in which the competitive playing field is arguably uneven. The paradigmatic worry underlying the Leahy Bill, as we have sympathetically construed it,⁵⁸⁸ involves a two-party competition. When

586. Although the *League of Women Voters* Court did not explicitly base its decision on a public goods rationale, some commentators have defended the result in that case on just that ground. See, e.g., Thomas W. Merrill, *Dolan v. City of Tigard: Constitutional Rights as Public Goods*, 72 DENV. U. L. REV. 859, 878 n.94 (1995); Richard H. Fallon, Jr., *Individual Rights and the Powers of Government*, 27 GA. L. REV. 343, 359 (1993). The *Velazquez* Court's expressed concern that, "[b]y seeking to prohibit the analysis of certain legal issues and to truncate presentation to the courts," the LSC funding restriction "threatens severe impairment of the judicial function," *Velazquez*, 2001 WL 193738, at *8, can also be understood to rest on worries about how the spending condition would affect the public at large, not only the offeree and the clients of the offeree. See also, e.g., *id.* (observing that were the funding restriction allowed to stand, "[t]he courts and the public would come to question the adequacy and fairness of professional representations").

587. Whether or not state immunity from suit has a net positive value (as its constitutionalization would seem to assume), it is hard to imagine how a state's exercise of that immunity produces positive externalities in the way that speech might be thought to do. That is because whatever public benefits might accrue from the imposition of sovereign immunity are likely to be internalized by state decisionmakers. Although this would not be the case if the exercise of sovereign immunity by State A could be expected to benefit the citizens of State B, that does not seem at all likely.

588. By noting that this is a sympathetic reconstruction, we mean to forswear any claim that the scenario we have discussed has actually influenced many supporters of the Leahy Bill. We think it

a private entity competes against a state entity, where both are owners and potential infringers of intellectual property, the private party is effectively barred by federal law from infringing the state's intellectual property whereas the state may have greater effective freedom to infringe the intellectual property of its competitor. Unfair competition could also arise in a slightly different way, however, when the state is not itself an owner of intellectual property, but just a user and therefore potential infringer. In this scenario, the state would secure an unfair competitive advantage against a competitor not because it has greater freedom to infringe that competitor's intellectual property than vice versa but because it has greater latitude than does the competitor to infringe the intellectual property rights of a third party.

A hypothetical will help clarify this concern. On the south outskirts of Austin, Texas sits the Lady Bird Johnson Wildflower Center, a nationally acclaimed private nonprofit educational organization. Suppose that the state were to open an equally lovely botanical garden, Texas Topiaries, on adjacent land. Suppose further that Texas Topiaries and the Lady Bird Johnson Wildflower Center begin to compete vigorously for tourist dollars. Advertising being crucial, both outfits hit upon the brilliant idea of playing "The Texas Bluebonnet Waltz"⁵⁸⁹ in their radio spots. But while the Lady Bird Johnson folk are in negotiations with the copyright owner, Texas Topiaries—by hypothesis undeterred by a threat of damages for copyright violation—starts airing commercials featuring the song during the spring blooming season. The song has its desired effect, attracting floraphiles from a multistate region to Texas Topiaries. The Lady Bird Johnson Center, meanwhile, rapidly loses its customer base. By the time the copyright holder learns of the use, files suit, and obtains an injunction forcing Texas Topiaries to refrain from using "The Texas Bluebonnet Waltz," the Lady Bird Johnson Wildflower Center is forced into bankruptcy.

Although Congress would naturally be eager to prevent such a gloomy prospect, this particular form of competitive unfairness would not be cured by withholding intellectual property protection from states that refuse to waive their immunity in intellectual property suits, and therefore cannot be relied upon to help justify the Leahy Bill. If Texas refuses to waive sovereign immunity in intellectual property infringement suits, the only way Congress could protect the Lady Bird Johnson Wildflower Center from unfair competition is to bar the State of Texas even from operating

more likely that proponents of a legislative response to *Florida Prepaid* are chiefly motivated by a general sense that states ought not be permitted to violate federal rights with impunity.

589. PEGGY ANN LAVEROCK, *THE TEXAS BLUEBONNET WALTZ* (1991).

Texas Topiaries in competition with private entities. The offer most sensibly tailored to address this problem, then, would condition the state's liberty to run Texas Topiaries on Texas's agreement to waive sovereign immunity in suits charging Texas Topiaries with intellectual property violations. But if this is a logical response to the problem, the question remains whether it would be constitutional.

1. *The Benefit Analysis.*—The threshold question, under standard analyses, is whether the offer presents a benefit.⁵⁹⁰ In dicta, the *College Savings Bank* Court said no, opining that “where the constitutionally guaranteed protection of the States’ sovereign immunity is involved, the point of coercion is automatically passed—and the voluntariness of waiver destroyed—when what is attached to the refusal to waive is the exclusion of the State from otherwise lawful activity.”⁵⁹¹ As the Court

590. See *supra* Subsection IV.B.1.

591. *College Sav. Bank*, 527 U.S. at 687. In suggesting that even an express waiver would be constitutionally invalid when extracted in this fashion, the Court was reaching well beyond the issue before it. The constructive waiver inquiry turns on whether a federal intent to subject states to suit is sufficiently explicit as to permit an inference of “voluntary and knowing” waiver from the state’s subsequent conduct. See, e.g., *Parden v. Terminal Ry.*, 377 U.S. 184 (1964), *partially overruled by Welch v. Texas Dep’t of Highways*, 483 U.S. 468 (1987); *Edelman v. Jordan*, 415 U.S. 651 (1974); *Employees of Dep’t of Pub. Health v. Dep’t of Pub. Health*, 411 U.S. 279 (1973); *CHEMERINSKY*, *supra* note 418, at 493-94. But we are supposing that Congress provides that states could not engage in commercial activities that directly compete against private enterprises unless and until they *expressly* waived their immunity from particular types of suit. Moreover, the legislation might expressly authorize any individual to sue in federal court to enjoin a state from continuing in a given commercial venture until it complied with the waiver requirements of the act. In challenging this scheme, a state could no longer raise the question of *constructive* (or implied) waiver that *College Savings Bank* involved, raising instead the question of when the federal government exceeded its powers in extracting an *express* waiver. Here, “knowingness” is not at issue. Whether an express waiver might be knowing but still involuntary—on the grounds, say, that the state had no rational alternative to acceding to the federal government’s demand—has apparently drawn little attention in the sparse literature on express waivers. See, e.g., John E. Taylor, Note, *Express Waiver of Eleventh Amendment Immunity*, 17 GA. L. REV. 513 (1983). Yet this is just the flipside of the questions, already discussed, see *supra* text accompanying notes 543-45, about the meaning of coercion. And the Court’s rulings on the requirements of voluntary waiver in criminal contexts are again instructive. Although the Court has consistently held in that realm that voluntariness of waiver is a question of fact to be determined from all the circumstances, see, e.g., *Ohio v. Robinette*, 519 U.S. 33, 40 (1996); *Schneckloth v. Bustamonte*, 412 U.S. 218, 248-49 (1973), it has also made repeatedly clear that the claim, even if true, that a criminal defendant could not rationally have done otherwise than to waive a particular constitutional right does not make that waiver involuntary. See, e.g., *Ohio Adult Parole Auth. v. Woodard*, 523 U.S. 272, 285-88 (1998) (rejecting argument that inmate’s participation in a clemency interview is involuntary for purposes of his Fifth Amendment privilege against self-incrimination because inmate could not reasonably choose not to participate); *Brown v. United States*, 356 U.S. 148 (1958) (holding that party who testifies in a civil proceeding effects a valid waiver of her privilege against self-incrimination in response to questions posed on cross-examination despite argument that party was effectively forced to testify in the civil proceeding). This view is consistent with the Court’s apparent reduction of involuntariness in Fourth Amendment cases to situations of force or fraud. See, e.g., *United States v. Mezzanatto*, 513 U.S. 196, 210 (1995); *Moran v. Burbine*, 475 U.S. 412, 421

acknowledged, this rule differs from the one *Dole* laid down for conditional spending—where the point of coercion is *not* automatically passed, and where state waivers of sovereign discretion to regulate (or refrain from regulating) in certain ways *may* be deemed voluntary—when what is attached to the refusal to waive is the exclusion of the state from otherwise forthcoming funds.⁵⁹² Why this difference in result should obtain, however, is not explained beyond appeal to the “intuitive difference” between a threat to “den[y] . . . a gift or gratuity” like federal funds (or, for that matter, consent to a proposed interstate compact)⁵⁹³ and a threat to impose a “sanction: exclusion of the State from otherwise permissible activity.”⁵⁹⁴

But we have doubts about whether this intuitive distinction would or should hold up in a litigated case that actually turned on the point. Compare the case of a state’s conditioning admittance to a public park on the wearing of clothes. In that case, a nudist’s complaint that the condition threatens to exclude him “from otherwise permissible activity” would be met with demurrer. This result points more generally to a difficulty with unconstitutional conditions analyses that depend too heavily on initial determinations of whether the thing offered is a “benefit.” Although the shorthand is undeniably convenient, it is also notoriously slippery. Where governmental duties (whether negative or positive) are not absolute, a state of affairs that government seems “obligated” to allow or provide turns into a benefit as soon as the government has good enough reason to deny or withhold it.⁵⁹⁵

(1986). It is hard to imagine that a different rule should reign when state waivers of sovereign immunity are at issue. While it is true that “state sovereign immunity, no less than the right to trial by jury in criminal cases, is constitutionally protected,” *College Sav. Bank*, 527 U.S. at 682, to our knowledge no justice contends that it is *more* protected.

592. The Supreme Court has routinely treated states’ accession to conditions attached to federal spending as voluntary. See *South Dakota v. Dole*, 483 U.S. 203, 212 (1987); *Oklahoma v. U.S. Civil Serv. Comm’n*, 330 U.S. 127, 143–44 (1947); cf. *Massachusetts v. Mellon*, 262 U.S. 447, 482 (1923).

593. *College Sav. Bank*, 527 U.S. at 687 (discussing *Petty v. Tenn.-Mo. Bridge Comm’n*, 359 U.S. 275 (1959) (upholding Congress’s conditioning the approval of an interstate compact upon the inclusion of suability provision)).

594. *Id.*

595. This follows from the now-familiar rejection of the claimed “naturalness” of common law baselines. See, e.g., Cass R. Sunstein, *Lochner’s Legacy*, 87 COLUM. L. REV. 873 (1987); Jed Rubenfeld, *Usings*, 102 YALE L.J. 1077, 1110 (1993). Justice Scalia’s opinion for the Court in *Nollan* also relied upon an intuitive but poorly articulated conception of what is and is not a state-conferred benefit. See *Nollan v. California Coastal Comm’n*, 483 U.S. 825, 833 n.2 (1987) (asserting that “the right to build on one’s own property—even though its exercise can be subjected to legitimate permitting requirements—cannot remotely be described as a ‘governmental benefit’”). But the right that the *Nollans* claimed was not the right to build on their property, *simpliciter*; it was the right to build more than the zoning rules allowed. And it’s not at all clear why *that* right cannot be described as a governmental benefit. See Vicki Been, “Exit” as a Constraint on Land Use Exactions: Rethinking the Unconstitutional Conditions Doctrine, 91 COLUM. L. REV. 473, 484 n.61 (1991).

2. *The Penalty Analysis*.—All of this is to bolster Justice Breyer's conclusion in his *College Savings Bank* dissent that the federal government's threat to exclude a state from otherwise lawful activity is not necessarily coercive.⁵⁹⁶ Rather, as with the conditional grant of intellectual property protection discussed above, the conditional offer of permission to engage in various sorts of commerce is saved from being coercive if the act threatened is not a penalty. And it is not a penalty if the purpose of carrying it out would be to prevent unfair competition rather than to punish or discourage the exercise of sovereign immunity.

Again, this would be a factual question, an answer to which would depend, first, on the precise language of the statute. Near the extreme of implausible and unjustifiable broadness, Congress could conditionally prohibit states from engaging in any activity that substantially affects interstate commerce and that could compete against private enterprises.⁵⁹⁷ More narrowly, Congress could try to identify particular types of state commercial activities that, based on historical evidence, most commonly raise this sort of problem and conditionally bar only those. However the statute is drafted, analysis would then focus on the relative frequency with which activities of the sort that are subject to the condition infringe the intellectual property rights of competitors, as well as the practical significance of any formal asymmetry in the legal regimes governing the state and private competitors. But given the relative dearth of evidence in the legislative record detailing infringing activities by states, we are very skeptical that Congress would currently be able to make a showing sufficient to satisfy a reviewing court.⁵⁹⁸

596. See *College Sav. Bank*, 527 U.S. at 693 (Breyer, J., dissenting).

597. In addition to problems thought particular to the unconstitutional conditions doctrine, such a broad restriction might raise any number of additional constitutional difficulties under the Tenth Amendment and other federalism doctrines. We do not pursue those possibilities here.

598. Professor Eugene Volokh provides additional reasons for skepticism that the asymmetry between states' and private parties' latitude to infringe intellectual property rights of a competitor raises a significant concern. See Volokh, *supra* note 14. First, Volokh points out, the federal government is even less constrained than are state governments when infringing intellectual property rights of private competitors. *Id.* at 1162-63. Second, state governments can take not only *intellectual* property, but also *tangible* property of their private competitors, subject only to the requirement that they provide a procedure for after-the-fact compensation. *Id.* at 1167. But Congress is proposing neither to make the federal government subject to the full panoply of remedies for intellectual property infringements, nor to abrogate or to induce waiver of state sovereign immunity in suits seeking damages for interference with tangible property interests. *Id.* at 1163 n.4.

These are provocative observations. But it is not clear just how much force they carry. As Volokh himself acknowledges, these other respects in which governments are free to interfere with property rights held by private entities hardly demonstrate that the fact that states and private competitors are asymmetrically situated when it comes to infringing the intellectual property rights of the other creates no competitive imbalance worthy of concern. The real consequence of these points, then, is to impose a burden upon the Court's critics to explain why *Florida Prepaid* creates a particularly troublesome anomaly. And whether that burden could be satisfied cannot possibly be determined without painstaking analysis of a wide variety of considerations.

In any event, any attempt by Congress to bar the states, but not private entities, from engaging in certain commercial activities would raise anew the problems we discussed in Subsection IV.B.1 in connection with *Reno v. Condon*.⁵⁹⁹ As Bruce LaPierre has observed, “[w]here a regulation applies to both state and private activity, the political checks on Congress’s power to regulate private activity provide vicarious protections for state interests and make Congress politically accountable.”⁶⁰⁰ When Congress singles out the states for regulation, however, those vicarious checks disappear and the regulation may be more constitutionally suspect.⁶⁰¹ Without resolving whether such regulation ought to be unconstitutional, we simply note that this problem provides another reason why both conditional spending and conditional grants of intellectual property protection ought to be preferred to a conditional regulation strategy.

D. Summary

The federal government might be troubled by state assertions of sovereign immunity in intellectual property suits for at least three analytically distinct reasons. First, assertions of immunity may cause economic harm to intellectual property owners, thereby reducing the value of intellectual property and, at the margins, reducing non-state entities’ incentives to innovate. Second, assertions of immunity can give state intellectual property owners an unfair advantage over competitors with intellectual property of their own by making it easier for the state to infringe the intellectual property of its competitors than vice versa. Third, sovereign immunity might embolden state enterprises with or without their own intellectual property to infringe intellectual property belonging to others, thereby harming both the intellectual property owner and the state’s

As we mentioned earlier, for example, the state-federal comparison must take into account the fact that the federal government has foresworn ownership in some types of intellectual property and is probably less likely than state governments to compete against private firms. See *supra* Subsection II.C.5. The comparison of intellectual property to tangible property also raises complex issues. Perhaps, for instance, a single organ of state government—like Florida Prepaid or the fictional Texas Topiaries—can easily infringe intellectual property rights of others all by itself, whereas the taking of tangible property is more likely to require coordination among different branches of government, hence is less likely to occur. The relative incidence of intrusions on private rights, however, is ultimately an empirical question, and there could be considerations that point the other way.

Finally, even if persuasive reasons could be shown for being more concerned about the state government/private entity imbalance in the intellectual property arena than either (a) the federal government/private entity imbalance or (b) the state government/private entity imbalance in the tangible property arena, whether such considerations are sufficiently compelling to justify these waiver proposals is considerably more doubtful.

599. See *supra* at text accompanying notes 529-33.

600. La Pierre, *supra* note 414, at 1000-01.

601. See *id.* at 987; *Reno v. Condon*, 528 U.S. 141, 149-51 (2000).

competitors who, again, are more effectively deterred from engaging in intellectual property violations.

These concerns overlap in practice. Nonetheless, viewing each in isolation suggests three different types of conditional offers that might serve as at least partial solutions. Most obviously, Congress will want to induce states to waive their sovereign immunity in intellectual property suits. Insofar as this is successful, then it solves all three of the above problems, regardless of the coin used to purchase, pressure, or induce the waiver. The most direct way to encourage waiver is to buy it outright. We see no constitutional difficulty were Congress to offer each state some lump sum of money to agree to waive immunity in intellectual property suits. Short of this, Congress might attach a waiver condition to other spending programs. Under the unduly tolerant *Dole* test, such offers are likely to pass muster. If a state chooses not to waive its immunity, however, Congress might still want to structure the situation so that any assertions of state sovereign immunity would do less harm. Two other conditional proposals therefore suggest themselves: (1) withholding federal protection for the state's own innovations (in which case the second worry identified above is minimized), and (2) withholding federal "permission" for states to engage in certain types of commercial ventures (in which case the third worry is minimized). Logically valid arguments can be adduced in support of either move if the unconstitutional conditions problem is properly conceived. That such arguments are also factually sound, however, is dubious.

Throughout our discussion, we have tried to highlight ways in which the Leahy proposal might be altered in order to enhance its prospects for constitutional survival. It may help to recap some of those suggestions here. First, Congress could limit the scope of the waiver provisions by having them apply agency-by-agency rather than to the entire state *en gross*. Second, Congress could limit the impact of a refusal to waive immunity by simply limiting a non-waiving state, when it seeks to enforce its own intellectual property, to the remedies that would be available against it in a suit by a private party. Third, Congress might seek to buttress its claim not to be threatening a penalty, hence not to be engaging in coercion (in the most meaningful sense of that term), by building a legislative record of instances in which state assertions of immunity in intellectual property suits have worked real competitive harm. This last suggestion might prove difficult to realize, however, for many of the reasons recounted in the context of the abrogation proposal.

V. State Intellectual Property Violations and Foreign Affairs

The Court's decisions in *Florida Prepaid* and *College Savings Bank* raise difficulties not only for domestic holders of federal intellectual property rights, but also for foreign citizens and corporations whose intellectual property may be infringed by state governments. Intellectual property law is essentially territorial, so each nation's law generally applies only within that nation's territory. Thus, a foreign author's work of authorship or a foreign inventor's invention is protected in the United States under U.S. law. If a state (or any other party) used such a work or invention in the United States, the author's or inventor's claim of infringement would be judged under, and subject to the remedies provided by, U.S. law. A variety of international treaties and agreements obligate the U.S. government to ensure that these foreign rightsholders have adequate remedies when their rights are violated. The general waiver and abrogation solutions considered previously would, if effective, provide some relief for foreign plaintiffs, and the Leahy Bill relies in part on the need for U.S. compliance with international obligations as justification for those solutions.⁶⁰² Some commentators have suggested, however, that specific measures should be taken to ensure treaty compliance regardless of whether anything is done for domestic plaintiffs.⁶⁰³

We consider this possibility in the present Part. First, in Section V.A, we consider to what extent the limited remedies that the Constitution requires states to provide are consistent with the international obligations of the United States to provide remedies to foreign rightsholders. We conclude that constitutionally adequate state remedies are likely largely consistent with U.S. obligations under traditional intellectual property treaties but may not be entirely consistent with obligations under more recent international trade agreements. Section V.B considers whether federal power over foreign affairs would provide independent authority for Congress to abrogate state sovereign immunity for intellectual property infringement suits by foreign rightsholders against states and concludes that any such attempted abrogation is unlikely to be upheld by the current Supreme Court. Finally, Section V.C examines the possibility of using suits by the U.S. government against infringing states as a mechanism to meet international obligations where the remedies provided by a state are insufficient.

602. S. 1835, 106th Cong. § 2(a)(2) (1999) ("There is a strong federal interest . . . in the fulfillment of international treaty obligations that the Federal Government has undertaken."), § 2(a)(11)(B) ("The Seminole Tribe, *Florida Prepaid* and *College Savings Bank* decisions have the potential to . . . compromise the ability of the United States to fulfill its obligations under a variety of international treaties.").

603. See, e.g., Menell, *supra* note 17, at 1460-64.

A. *U.S. Obligations Under Intellectual Property Agreements*

The obligations of the United States to protect the intellectual property rights of foreign nationals arise from two main categories of international agreements to which the United States is a party. First, there are "traditional" international conventions that exclusively address intellectual property and mostly date from the late nineteenth century. These include the Berne Convention,⁶⁰⁴ which deals with copyrightable works, and the Paris Convention,⁶⁰⁵ which deals with industrial property, including patents and trademarks. The basic structure of these conventions is to require signatories to provide "national treatment"—that is, whatever intellectual property protections a signatory provides to its own citizens, it must provide to nationals of any other signatory country. In addition, these conventions typically establish certain minimum standards that define what rights a signatory must provide to nationals of other signatory countries, even if the signatory does not provide those rights to its own citizens. The second category of pacts imposing intellectual-property-related obligations on the United States consists of international trade agreements that specifically address intellectual property. Because obligations under the traditional intellectual property conventions were widely perceived to be difficult to enforce,⁶⁰⁶ nations have incorporated intellectual property concerns into international trade agreements, which are perceived to be more effectively enforceable.⁶⁰⁷ The most important agreement in this category is the Agreement on Trade-Related Aspects of Intellectual Property (TRIPs), which was signed in 1994 as part of the formation of the World Trade Organization.⁶⁰⁸

This section considers precisely what obligations the United States has under both types of international agreements with respect to enforcement of intellectual property rights. We also consider whether the United States can meet those obligations when a state infringes the intellectual property rights of a foreign national if Congress is unable to abrogate state sovereign immunity in intellectual property cases across the board. Our discussion generally assumes that an intellectual property owner alleging infringement

604. Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, 828 U.N.T.S. 221 [hereinafter Berne Convention].

605. Paris Convention for the Protection of Industrial Property, Oct. 2, 1979, 828 U.N.T.S. 305 [hereinafter Paris Convention].

606. MICHAEL BLAKENEY, TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS: A CONCISE GUIDE TO THE TRIPS AGREEMENT 123 (1996) ("[T]he principal motive force[] for including intellectual property rights as a subject of the Uruguay Round of the GATT was the perception that the existing intellectual property regime lacked effective enforcement.").

607. See TRIPs Preamble, 33 I.L.M. 1197 (1994) (citing the "need to promote effective and adequate protection of intellectual property rights").

608. Final Act Embodying the Results of the Uruguay Round of Multilateral Negotiations, April 15, 1994, Legal Instruments—Results of the Uruguay Round vol. 1, 33 I.L.M. 1125 (1994).

by a state could obtain from the state the remedies minimally required by the Constitution or, if a state did not provide such remedies, could sue for infringement under federal law, and in federal court, under a case-by-case abrogation statute.⁶⁰⁹ In the latter circumstance, the rightsholder would be able to obtain the same relief against a state infringer that it can obtain against a private party under federal intellectual property law.⁶¹⁰ Whether such remedies comply with the international obligations of the United States is in no way affected by the issue of state sovereign immunity, so we do not consider here whether existing federal law complies with internationally imposed intellectual property enforcement obligations.⁶¹¹ Instead, we consider the situation in which a state does provide the remedies that the Constitution requires, as discussed in Section II.C above. Such a state would avoid abrogation of sovereign immunity under a case-by-case abrogation statute and prevent the rightsholder from bringing an ordinary infringement suit in federal court. The question is thus whether the remedies that a state must provide under the Constitution would fall short of what international agreements require the United States to provide to foreign rightsholders.⁶¹²

609. In the absence of something like the Leahy abrogation proposal, things get somewhat dicier. The foreign plaintiff's best option would probably be to sue the relevant state officer for injunctive relief under the proper intellectual property statute and under Section 1983 for a procedural due process violation.

610. See *supra* notes 239-40 and accompanying text.

611. Of course, if existing federal intellectual property law does not comply with U.S. enforcement obligations under international agreements, state sovereign immunity may make it more difficult for the federal government to come into compliance. An amendment to federal law offering rightsholders an additional remedy in cases of infringement would be available against state infringers only if that remedy is constitutionally required of the states or if Congress were able to abrogate state sovereign immunity in such cases.

612. Our analysis in this Section assumes that foreign nationals who are not resident in the United States but who own property that is located within the United States are entitled by the Constitution to the same remedies that are available to U.S. citizens. The Supreme Court has said that foreign nationals who own property in the United States may not have that property taken without just compensation unless the foreign national is an enemy alien. See *Russian Volunteer Fleet v. United States*, 282 U.S. 481, 489 (1931) (holding that a non-enemy alien is "entitled to the protection of the Fifth Amendment" against taking without just compensation); *Harisiades v. Shaughnessy*, 342 U.S. 580, 586 n.9 (1952) (same). Thus, a state that infringes on a patent or copyright within the territory of the United States would be interfering with rights protected under U.S., not foreign, law and, to the extent that such infringement constitutes a taking, would be obligated to provide just compensation.

If a state infringes a patent or copyright held by a foreign national, it is somewhat less clear whether that state has committed a deprivation of property against a "person" entitled under the Fourteenth Amendment to due process in cases of such deprivation. The Supreme Court has held that aliens who are present in the United States are "persons" for purposes of due process. *Mathews v. Diaz*, 426 U.S. 67, 77 (1976) ("Even one whose presence in this country is unlawful, involuntary, or transitory is entitled to that . . . protection [of due process under the Fifth and Fourteenth Amendments]."); *Yick Wo v. Hopkins*, 118 U.S. 356, 369 (1886). However, at least in the immigration context, foreign nationals outside the territory of the United States have been held not to be entitled to due process protections. See, e.g., *Shaughnessy v. United States ex rel. Mezei*, 345 U.S. 206 (1953). In most cases, foreign owners of intellectual property allegedly infringed by states will

1. *U.S. Obligations Under Traditional Intellectual Property Treaties.*—Traditional intellectual property treaties impose few specific enforcement obligations on the United States. Under both the Berne and Paris Conventions, questions of remedies against infringers “are left to national legislation” of the member states.⁶¹³ The few enforcement requirements that do appear in these conventions are primarily stated in extremely general terms. The Paris Convention, for example, obligates members to assure to nationals of other member countries “appropriate legal remedies” against trademark infringement, false designation of source, and unfair competition, but does not elaborate on what constitutes “appropriate legal remedies.”⁶¹⁴ Similarly, the Universal Copyright Convention requires members to provide “adequate and effective protection” of the rights of copyright owners without giving any content to those terms.⁶¹⁵ Pursuing state-law remedies for a state government’s infringement of intellectual property rights (with access to federal court available where the state fails to provide an adequate remedy) may be more cumbersome than a single federal infringement suit against a state would be, but the additional burdens may not make state remedies insufficient to

likely be located outside the United States. It seems likely that the Supreme Court would require that states that deprive foreign rightsholders located abroad of property rights in the United States must provide due process to those foreign rightsholders under the Fourteenth Amendment, although there is not clear precedent mandating such treatment.

613. GUIDE TO THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS (PARIS ACT, 1971), at 98 (1978). The *Guide* notes that “[r]emedies may be civil, criminal, or administrative: injunctions, damages, fines and/or prison sentences are examples.” *Id.*; see also G.H.C. BODENHAUSEN, GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY AS REVISED AT STOCKHOLM IN 1967, at 136 (1968) (noting that the Paris Convention “generally leaves the question of the sanctions or remedies to be provided against infringements to the domestic legislation of the member states” (emphasis in original)); SAM RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986, at 906 (1987) (“[T]he Convention has so far relied on the application of the principle of national treatment and independence of protection, under which the extent of protection and the means of redress afforded to the author are governed exclusively by the laws of the protecting country,” except with regards to formalities and seizures.).

614. Paris Convention, *supra* note 605, art. 10ter(1), 21 U.S.T. at 1648, 828 U.N.T.S. at 339. The *Paris Convention Guide* notes that at the Hague Revision Conference:

[I]t was understood that national legislation, in providing for effective repression of the acts referred to, may make a difference between provisions allowing claims for damages and those providing for injunctions against the incriminated acts. Whereas it would be possible not to grant damages with respect to acts committed in good faith, the same would not apply to injunctions.

BODENHAUSEN, *supra* note 613, at 148. Thus, to the extent that damages might not be available against a state infringer for non-negligent infringement, that would not bring U.S. law into conflict with its Paris Convention obligations if merely negligent infringement constitutes an act “committed in good faith.”

615. Universal Copyright Convention, July 24, 1971, art. I, 943 U.N.T.S. 178, 181; see also ARPAD BOGSCH, THE LAW OF COPYRIGHT UNDER THE UNIVERSAL CONVENTION 5-7 (3d ed. 1968) (attempting to determine “appropriate legal meaning” by examining the law of different countries).

satisfy the “adequate and effective protection” or “appropriate legal remedies” obligations.⁶¹⁶

The traditional intellectual property agreements do contain some more specific enforcement obligations. Most, however, are limited to “national treatment” obligations—that is, a signatory to the convention must provide to foreign rightsholders the same rights that it provides to its own citizens.⁶¹⁷ Because state sovereign immunity equally prevents both U.S. and foreign rightsholders from bringing certain claims against states,⁶¹⁸ Congressional failure or inability to abrogate that immunity would not place the United States in violation of those national-treatment obligations. Other specific remedies required by the conventions appear likely to be met by the availability of prospective injunctive relief in federal court through *Ex parte Young* actions.⁶¹⁹

The most specific remedial obligations imposed by the traditional conventions relate to seizure of infringing goods. The Berne Convention requires that member states provide for seizure of infringing copies of protected works.⁶²⁰ Similarly, the Paris Convention requires a procedure for seizing imported goods unlawfully bearing a trademark, tradename, or

616. Theoretically, the remedy for a country's violation of its obligation under the traditional international intellectual property agreements is recourse to the International Court of Justice, a step that has never been taken. J. H. Reichman, *Universal Minimum Standards of Intellectual Property Protection under the TRIPs Component of the WTO Agreement*, in *INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE: THE TRIPs AGREEMENT* 71 (Carlos M. Correa & Abdulqawi A. Yusuf, eds., 1998).

617. See, e.g., Paris Convention, *supra* note 605, art. 10ter(2), 21 U.S.T. at 1648-49, 828 U.N.T.S. at 325 (members must provide trade associations with right to sue to enforce trademark, false indication of source, and unfair competition rights “in so far as the law of the country in which protection is claimed allows such action by federations and associations of that country”); *id.* art. 9(6) (if member does not allow seizure of goods unlawfully bearing trademark or false indication of source then it must provide “the actions and remedies available in such cases to nationals under the law of such country”); see also BODENHAUSEN, *supra* note 613, at 136, 139 (describing Article 9 and 10 obligations with respect to unlawful use of trademarks and tradenames and false indications of source as imposing rule of national treatment with respect to sanctions and remedies); Berne Convention, *supra* note 604, art. 5, 828 U.N.T.S. at 231-33 (imposing general national treatment rule).

618. See, e.g., U.S. CONST. amend. XI (barring suits “by citizens of another State, or by Citizens or Subjects of any Foreign State”); see also *Monaco v. Mississippi*, 292 U.S. 313, 322 (1934) (holding that suit by a foreign state itself was also barred).

619. For example, the Paris Convention requires member countries “to prohibit the use” by third parties of well-known marks on goods similar or identical to those on which the well-known mark is used. Paris Convention, *supra* note 605, art. 6bis(1), 21 U.S.T. at 1640, 828 U.N.T.S. at 325. Substantive U.S. law does prohibit such use, and the ability of the owner to obtain an injunction to prevent such use by a state would appear to satisfy this obligation. See also *id.*, art. 6septies(2) (entitling proprietor of mark to oppose use of her mark by her agent or representative if she has not authorized such use).

620. Berne Convention, *supra* note 604, arts. 13(3), 16, 828 U.N.T.S. at 245, 249-51; RICKETSON, *supra* note 613, at 403-04 (noting that the current version of Berne Convention Article 16(1) applies to seizure of infringing copies upon importation or in a country's interior and applies to domestically produced infringing copies as well as imported ones).

false indication of source⁶²¹ with such seizure to be available either at the border or in the country of importation.⁶²²

With respect to border seizures, U.S. law provides for border seizure by U.S. Customs officials of goods imported in violation of copyright or trademark laws.⁶²³ State sovereign immunity would not appear to stand in the way of such seizure. Because the detention of allegedly infringing material at the U.S. border by U.S. customs officials is an act of the U.S. government and not a private plaintiff, the Eleventh Amendment would not impose a bar to such actions.⁶²⁴

Seizures of infringing goods at places other than the border can be made by judicial action rather than by customs officials. As a matter of substantive federal intellectual property law, a rightsholder can seek a court order impounding goods that infringe copyright or trademark laws.⁶²⁵ Because such seizures come through court proceedings instituted by a private rightsholder rather than through action of federal law enforcement officers, state sovereign immunity might pose an obstacle to such seizures.⁶²⁶ The Paris Convention seizure requirements impose only national-treatment obligations, so even if state sovereign immunity prevented such seizures the United States would not be in violation of its obligations because such seizures would be equally unavailable to American and foreign rightsholders. The Berne Convention seizure requirement, however, is not merely a national-treatment obligation but a substantive obligation of member states.⁶²⁷ Nonetheless, as discussed above,⁶²⁸ nonborder seizures of unauthorized copies of a copyrighted work might be properly ordered against state entities (indirectly through a state officer) by

621. Paris Convention, *supra* note 605, arts. 9-10, 21 U.S.T. at 1647-48, 828 U.N.T.S. at 335-37.

622. Paris Convention, *supra* note 605, arts. 9(1)-9(2), 21 U.S.T. at 1647, 828 U.N.T.S. at 335.

623. 15 U.S.C. §§ 1124, 1125(b) (1994) (trademarked goods); 19 C.F.R. § 133.0 *et seq.*; 17 U.S.C. § 603 (1994 & Supp. IV 1998) (copyrighted works); 19 C.F.R. § 133.31 *et seq.*; *see also* 19 U.S.C. §§ 1337, 1526 (1994) (unfair practices in import and trade). Exclusion of goods that infringe on a U.S. patent can be obtained in some circumstances through the International Trade Commission. *See* 19 U.S.C. §§ 1337, 1337(a) (1994).

624. *See supra* text accompanying notes 381-82.

625. 15 U.S.C. § 1118 (1994) (trademarks); 17 U.S.C. § 503 (1994) (copyrights). U.S. patent law does not expressly provide for the impoundment and disposition of infringing articles.

626. Article 9(3) of the Paris Convention expressly provides that the seizure may be at the request of public authorities or any interested party, which would presumably include the rightsholder herself. Article 16 of the Berne Convention provides that such seizures "shall take place in accordance with the legislation of each country," which appears to permit seizures initiated by individual rightsholders rather than law enforcement officials. *See* RICKETSON, *supra* note 613, at 404-05 (asserting that the text "gives national legislation complete freedom to determine who will effect a seizure. For example, this could be left to the copyright owner himself or his agents, perhaps acting pursuant to a court order or under judicial supervision").

627. Berne Convention, *supra* note 604, art. 16(3), 828 U.N.T.S. at 251.

628. *See supra* Subsection II.C.4.

means of an *Ex parte Young* action seeking an injunction against state infringement. In that event, existing federal seizure and disposition remedies would remain as available to foreign plaintiffs against state defendants after *Florida Prepaid* as they were before, and state sovereign immunity would not hinder U.S. compliance with its seizure obligations under the Berne Convention. If impoundment and disposition remedies are not available against a state officer in an *Ex parte Young* action, then the United States would seem to be out of compliance with its obligations under the Berne Convention in cases where a state infringes a foreign national's copyright.⁶²⁹

For the most part, state sovereign immunity seems to pose little problem for U.S. compliance with enforcement obligations under traditional international intellectual property agreements, largely because the enforcement provisions of those agreements are relatively weak.⁶³⁰ That weakness was, of course, a primary impetus for addressing intellectual property rights in the context of international trade agreements, which were seen to provide a much tougher enforcement mechanism. The principal international compliance concerns raised by state sovereign immunity, then, revolve around U.S. compliance with its obligations under such trade agreements.

2. *U.S. Obligations Under International Trade Agreements.*—International trade agreements may pose greater problems for U.S. compliance after *Florida Prepaid* because they impose more specific enforcement obligations and are themselves more effectively enforceable than traditional intellectual property conventions. The most important such

629. Article 36 of the Berne Convention might appear to excuse any U.S. noncompliance that results from states' Eleventh Amendment immunity. That provision obligates each convention signatory to adopt, "in accordance with its constitution, the measures necessary to ensure the application" of the convention. Berne Convention, *supra* note 604, art. 36, 828 U.N.T.S. at 277 (emphasis added). See also Paris Convention, *supra* note 605, art. 25, 21 U.S.T. at 1655, 828 U.N.T.S. at 361. In light of the Supreme Court's interpretation of the Eleventh Amendment, Congress has arguably provided the most extensive impoundment remedies available against the states in accordance with the U.S. Constitution. Commentaries on Article 36 make clear, however, that its provisions merely address the means by which member countries must comply with their obligations and do not affect the scope of those obligations. "[A]ll [member] countries . . . must adopt the measures necessary to ensure [the Convention's] application What those measures are depends on the constitution of the country in question: in some it becomes part of the law of the land; in others, parliament must pass laws to give effect to the Convention's obligations. The measures may therefore be legislative or administrative or a mixture of both, according to the constitutional law of the country concerned." GUIDE TO THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS (PARIS ACT, 1971), *supra* note 613, at 141. See also RICKETSON, *supra* note 613 at 826; cf. BODENHAUSEN, *supra* note 613, at 208-09 ("A State which according to its constitution or constitutional system cannot accept the 'self-executing' character of provisions of an international convention is under the obligation to introduce provisions to the same effect in its domestic legislation.") (discussing the Paris Convention).

630. See Reichman, *supra* note 616, at 71.

agreement is the TRIPs agreement,⁶³¹ Part III of which addresses "Enforcement of Intellectual Property Rights."⁶³² In evaluating whether a state's constitutionally required remedies meet the TRIPs enforcement obligations, we consider first the overarching general enforcement obligations and the general standards for enforcement procedures. We then examine a TRIPs provision that allows for only limited remedies in cases of government use of intellectual property in some circumstances. Finally, we turn to the particular remedies that TRIPs generally requires its member states to make available in cases of infringement.

The overarching enforcement obligations⁶³³ placed on the United States under Part III of TRIPs are:

to "ensure that enforcement procedures . . . are available under . . . [national] law so as to permit effective action against any act of infringement of intellectual property rights covered by" the agreement;⁶³⁴

to make available "expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements";⁶³⁵

to apply enforcement procedures so as to "avoid the creation of barriers to legitimate trade";⁶³⁶ and

to have enforcement procedures that are not "unnecessarily complicated or costly" or that "entail unreasonable time-limits or unwarranted delays."⁶³⁷

A case-by-case abrogation approach to infringement by states may require enforcement effort on the part of a rightsholder beyond what would have been necessary prior to 1999. For example, the interaction of exclusive federal jurisdiction for patent and copyright claims and state sovereign immunity might require her to bring one *federal* court action for injunctive

631. The other principal trade agreement that imposes intellectual property enforcement obligations and to which the United States is a party is the North American Free Trade Agreement (NAFTA). The North American Free Trade Agreement, Dec. 17, 1992, arts. 1701-1721, 32 I.L.M. 605, 676 (1993). Because the intellectual-property-enforcement provisions of NAFTA are substantially similar to those of the TRIPs agreement, we have not separately addressed the NAFTA provisions.

632. For an overview of the provisions of Part III, see J. H. Reichman, *Enforcing the Enforcement Procedures of the TRIPS Agreement*, 37 VA. J. INT'L L. 335, 340-51 (1997).

633. We consider here only the enforcement provisions of TRIPs that are mandatory on member states, not those that are permissive, *see, e.g.*, arts. 43(2), 45(2), & 47, and only those that would involve states as defendants, not as plaintiffs, in infringement actions, *see, e.g.*, arts. 48, 56.

634. TRIPs, art. 41(1).

635. *Id.* Since the only damage remedy required by TRIPs is compensatory damages, *see infra* text accompanying notes 669-670, it does not seem that statutory or punitive damages must be available in order to satisfy the requirement that remedies constitute a deterrent to future infringement (though statutory damages are permissible under art. 45(2)).

636. *Id.*

637. *Id.* art. 41(2).

relief under federal intellectual property law and another *state* court action for monetary relief for past acts of infringement. This potential additional effort might be considered to make U.S. enforcement procedures unnecessarily complicated or costly, or less than sufficiently effective, which TRIPs does not allow. To the extent, though, that these overarching obligations "are truly *minimum* standards" that were consciously drafted in "loose and open-ended language,"⁶³⁸ that would counsel against concluding that whatever additional burden state sovereign immunity to money damages claims for past infringements imposes on foreign rightsholders would bring the United States out of compliance with these very general exhortations.

TRIPs also imposes somewhat more specific overall standards on members' enforcement procedures.⁶³⁹ Many of these standards echo language often associated with U.S. constitutional requirements of due process. For example, due process seems likely to require that state procedures be "fair and equitable,"⁶⁴⁰ that decisions on the merits of a

638. Reichman, *supra* note 616, at 80. There do not appear to have been any dispute proceedings involving these provisions that might provide interpretive guidance. As of fall 2000, apparently only five disputes concerning TRIPs provisions had been resolved by the WTO dispute settlement mechanism, and these all involved substantive provisions of TRIPs rather than the enforcement provisions. See Sue Ann Mota, *TRIPs—Five Years of Disputes at the WTO*, 17 *ARIZ. J. INT'L & COMP. L.* 533, 539 (2000).

In 1997 and 1998 the United States filed four requests for consultations alleging that the laws of Sweden, Denmark, and Greece are inconsistent with various enforcement obligations under Part III of TRIPs. See WT/DS83/1, WT/DS86/1, WT/DS124/1, WT/DS/125/1, available by searching at <http://www.wto.org/wto/ddf/ep/search.html>. The requests involving Sweden and Denmark allege that those countries' national laws do not comply with the TRIPs requirement that members make provisional measures against infringement available in civil cases involving intellectual property rights. The requests involving Greece allege that Greek law is inconsistent with the general enforcement obligations (Art. 41) and the criminal enforcement obligations (Art. 61) of TRIPs. The matter involving Sweden was settled between the parties in December 1998, while the other matters remain in the consultation stage. See "Overview of the State-of-Play of WTO Disputes," Jan. 15, 2001, available at http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm/stplay_e.doc. The fact that the United States appears to have been the most active WTO member seeking to enforce the obligations of Part III of the TRIPs agreement might provide other countries with motivation to challenge U.S. compliance with Part III on the grounds of the hurdles to enforcement presented by state sovereign immunity.

639. TRIPs, arts. 41, 42. Although Article 42 speaks of "civil judicial procedures," it contemplates that the civil remedies required could be ordered as a result of "administrative procedures on the merits of a case," so long as those procedures "conform to principles equivalent in substance" to those specified for civil proceedings. *Id.* at arts. 49, 50(8). It therefore appears that to the extent U.S. compliance with its TRIPs obligations centers on the nature of state procedures for remedying intellectual property infringements, state administrative remedial procedures could fulfill those U.S. obligations as well as state civil judicial proceedings could. It is unclear whether the term "administrative procedures" as used in TRIPs would allow a member state to satisfy its obligations by providing a remedy in its legislature, as the *Florida Prepaid* court suggested might be adequate.

640. TRIPs, art. 41(2); see, e.g., *Board of Regents v. Roth*, 408 U.S. 564, 589 (Marshall, J., dissenting) (arguing that due process requires the government to demonstrate that "its actions are fair and equitable").

case be "reasoned" and available to the parties "without undue delay,"⁶⁴¹ that such decisions be based only on "evidence in respect of which parties were offered the opportunity to be heard,"⁶⁴² that some judicial review be available,⁶⁴³ and that enforcement procedures be applied in a manner providing for "safeguards against their abuse."⁶⁴⁴ Other specific requirements also seem likely to be satisfied by any state remedial procedure that meets U.S. due process standards,⁶⁴⁵ or to be generally met by typical state-court proceedings, although they might not be constitutionally required.⁶⁴⁶ The tricky part, of course, lies in translating the vague prescriptions of the TRIPs agreement into concrete requirements. Our point is simply that the TRIPs and due process requirements point in the same general direction, so that most procedures passing constitutional muster are at least defensible under the general enforcement standards imposed by TRIPs.

In addition to the general enforcement obligations and overall standards, the TRIPs agreement imposes several more specific obligations. As a preliminary matter, we note that these specific obligations may not apply to cases of infringement by state governments under Article 44(2) of TRIPs.⁶⁴⁷ Article 44's provisions on government use distinguish between

641. TRIPs, art. 41(3). On reasoned decisionmaking, see, e.g., *Childs v. United States Bd. of Parole*, 511 F.2d 1270, 1286 (D.C. Cir. 1974) (holding that "[t]he constitutional requirements of minimal due process" include "reasonable assurance of reasoned decisions rather than arbitrary or capricious ones"). On delay, see, e.g., *Fuentes v. Shevin*, 407 U.S. 67, 80 (1972) (insisting that "the right to notice and an opportunity to be heard must be granted at a meaningful time and in a meaningful manner"); cf. *Gibson v. Berryhill*, 411 U.S. 564, 575 (1973) (noting that federal courts have frequently deemed state administrative remedies "inadequate" for purposes of the exhaustion doctrine on account of delay). Article 41 also says that decisions "shall preferably be in writing" but does not impose that as a requirement.

642. TRIPs, art. 41(3); see, e.g., *Goldberg v. Kelly*, 397 U.S. 254, 267 (1970) ("The fundamental requisite of due process of law is the opportunity to be heard.") (quoting *Grannis v. Ordean*, 234 U.S. 385, 394 (1914)).

643. TRIPs, art. 41(4) (requiring the opportunity for judicial review "of final administrative decisions and, subject to jurisdictional provisions in a [member state's] laws concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case"); see, e.g., *Honda Motor Co. v. Oberg*, 512 U.S. 415, 432 (1994) (holding that state denial of judicial review of the size of punitive-damage awards violated due process).

644. TRIPs, art. 41(1); see, e.g., *Fuentes*, 407 U.S. at 96-97 (holding that failure to impose safeguards on summary seizures under state law violated due process).

645. See, e.g., TRIPs, art. 42 (entitling defendant to timely and sufficiently detailed written notice of proceeding); *id.* (allowing parties to be represented by independent legal counsel); *id.* (entitling parties to substantiate their claims and present all relevant evidence).

646. See, e.g., TRIPs, art. 42 (procedures shall include means to identify and protect confidential information); *id.* art. 43(1) (requiring court to order party to produce evidence under some circumstances).

647. One other provision of the TRIPs articles on enforcement specifically deals with liability for government action. TRIPs, art. 48(2). That provision, however, governs the situations in which a nation can exempt public officials from liability "to appropriate remedial measures." However, the provision applies only "[i]n respect of the administration of any law pertaining to the protection or

use of patents and of other types of intellectual property. With respect to intellectual property other than patents, TRIPs Article 44(2) provides that in situations of "use by governments" of intellectual property, a member state shall provide the remedies generally required by TRIPs "or, where these remedies are inconsistent with a Member's law, declaratory judgments and adequate compensation shall be available."⁶⁴⁸ It is therefore at least arguable that, outside the patent field, if remedies generally required by the TRIPs agreement would not be available against a state government due to state sovereign immunity, such remedies are inconsistent with U.S. law and need not be provided by the United States.

At a minimum, however, TRIPs would still require the United States to provide for "declaratory judgments" and "adequate compensation" in cases of infringement by state governments.⁶⁴⁹ Neither term is defined in the TRIPs agreement.⁶⁵⁰ A constitutionally adequate state remedy for a state's deprivation of an intellectual property owner's property could well meet the first requirement since it would provide "a binding adjudication that establishes the rights and other legal relations of the parties."⁶⁵¹ "Adequate compensation" for purposes of Article 44(2), however, may not track what the U.S. Constitution would define as "adequate." It is possible that "adequate compensation" under Article 44(2) would require damages against a negligent infringer since, as discussed below,⁶⁵² the general TRIPs provision on damages requires that a member state provide "damages adequate to compensate for the injury the right holder has suffered because of an infringement . . . by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity,"⁶⁵³

enforcement of intellectual property rights" and seems to contemplate only actions taken "in the course of the administration of that law." State officials who are infringing on a private party's intellectual property rights would not appear to be administering any law regarding the protection or enforcement of intellectual property rights the way that, for example, a customs official or federal marshal would be in carrying out an order for the seizure of allegedly infringing copies.

648. TRIPs, art. 44(2).

649. See DANIEL GERVAIS, *THE TRIPs AGREEMENT: DRAFTING HISTORY AND ANALYSIS* 205 (1998) ("In other cases [of government use not covered by the specific provisions concerning patents], 'normal' remedies as provided in Part III should be available, but not if they are inconsistent with the concerned Member's laws. In that case, remedies may be limited to a 'declaratory' judgment and payment of adequate compensation." (footnotes omitted)).

650. *Id.*

651. BLACK'S LAW DICTIONARY 846 (Bryan Garner, ed. 7th ed. 1999) (defining "declaratory judgment").

652. See *infra* text accompanying notes 669-70.

653. TRIPs, art. 45. It is also possible that "adequate compensation" under the TRIPs agreement might mean something so substantially different from what adequate compensation means under the Fourteenth Amendment that a state could provide a remedy that meets its constitutional obligation but that is not in accordance with the U.S. obligation under TRIPs. It is difficult to know whether a WTO dispute settlement panel might find such a difference given the lack of a definition of "adequate compensation" in the text of the treaty and the absence of interpretation of that provision.

even though the U.S. Constitution would not require a remedy in cases of negligence.⁶⁵⁴ It is not obvious, however, that the general TRIPs damages provision should define adequacy under Article 44(2). If "adequate compensation" under the latter provision is interpreted more broadly, then with respect to copyrights and trademarks, the remedies constitutionally required of a state in order to forestall congressional abrogation would be sufficient for the United States to comply with its enforcement obligations under TRIPs.

In the case of government use of a patent, Article 44(2) provides that a member state does not need to provide the patent owner with the full panoply of remedies otherwise required by TRIPs, but only if the member state complies with certain conditions.⁶⁵⁵ Those conditions are set forth in Article 31, which governs exceptions to patent rights for "use by the government"⁶⁵⁶ and specifies detailed provisions that must be met for such use to be acceptable. These include, among others, that authorization of the use must be made on the use's "individual merits,"⁶⁵⁷ that the user must have made an effort to obtain authorization from the patent owner on reasonable commercial terms and conditions before beginning the use,⁶⁵⁸ and that the patent owner be paid "adequate remuneration in the circumstances of each case."⁶⁵⁹ Article 44(2) provides that *if* the provisions of Article 31 are complied with, then a member state may limit the remedies available against government use to payment of adequate remuneration.⁶⁶⁰ It seems unlikely, however, that the United States is entitled under Article 44(2) to provide foreign patent owners in cases of state infringement nothing more than adequate remuneration. Even assuming that the

654. See *supra* Subsection II.A.2.

655. Enforcement obligations are also reduced with respect to rights in the layout designs of integrated circuits if the substantive provisions of the TRIPs agreement on government use of such designs, set forth in Article 37(2) and essentially identical to the provisions discussed immediately below on government use of patents, are met. Because legal regimes for the designs of integrated circuits have been little used, we do not discuss them further here.

656. TRIPs, art. 31. Article 31 applies to "use by the government" as part of any "use of the subject matter of a patent without the authorization of the right holder, including use by the government or third parties authorized by the government." *Id.* Thus, the article covers not only government use but also compulsory licensing. See GERVAIS, *supra* note 649, at 165. While most of the provisions of Article 31 seem more directed to compulsory licensing situations, they also apply to use by the government.

657. TRIPs, art. 31(a).

658. *Id.* art. 31(b). The efforts to obtain permission must "have not been successful within a reasonable period of time." *Id.* A prior attempt to secure permission is not required in cases of national emergency, extreme urgency, or public non-commercial use, though even in those cases notice must generally be provided to the patent owner. *Id.* In cases of public non-commercial use, notice is required only "where the government . . . , without making a patent search, knows or has demonstrable grounds to know that a valid patent is or will be used by or for the government." *Id.*

659. *Id.* art. 31(h).

660. *Id.* art. 44(2).

compensation that an infringing state must pay a patent owner in order to comply with its constitutional obligations would also constitute the "adequate remuneration" required under TRIPs, it is unlikely that most state patent infringement meets the other requirements of Article 31. In particular, it seems unlikely that every instance of state patent infringement follows the required efforts on the part of the state to obtain permission from, or notify, the patent owner.⁶⁶¹

With respect to the TRIPs provisions on government use, then, the limited remedies that infringing states must make available to aggrieved copyright and trademark owners after the *Florida Prepaid* decision may be sufficient to meet the United States' reduced enforcement obligations in cases of government use under Article 44(2). But the state use of other parties' patents seems unlikely to meet the conditions that would allow the United States to provide only the more limited adequate remuneration remedy specified in Article 44(2). Since it is unclear whether the United States qualifies for or meets the reduced enforcement obligations of Article 44(2) in cases of state infringement, we next consider whether the limited remedies available against state infringement meet the normal remedial obligations of a TRIPs member state.

State sovereign immunity to money damage claims under federal intellectual property laws does not interfere at all with U.S. compliance with at least three of the specific obligations imposed by TRIPs. First, Article 61 requires TRIPs members to provide for criminal enforcement against certain types of infringing activities.⁶⁶² Because enforcement of the criminal provisions of federal copyright and trademark law requires action by the U.S. government against the accused defendant, and because Eleventh Amendment immunity does not shield states from actions by the U.S. government, that immunity poses no obstacle to meeting the obligations of Article 61. Second, TRIPs requires member states to provide injunctive relief to order a party to desist from infringement and to give judicial authorities the power to order "prompt and effective provisional measures . . . to prevent an infringement of any intellectual property right from occurring."⁶⁶³ Essentially, this requires the United States to provide permanent and preliminary injunctive relief, and such relief is generally available for intellectual property claims under U.S. law.⁶⁶⁴

661. *Id.* Serious questions exist as to whether the *federal* government currently complies with the requirements of Article 31. See, e.g., Menell, *supra* note 17, at 1452; Volokh, *supra* note 14, at 1165 n.9.

662. TRIPs, art. 61.

663. *Id.* art. 44(1), 50(1)(a).

664. 15 U.S.C. § 1116(a) (1994) (authorizing injunctions in accordance with principles of equity in trademark cases); 17 U.S.C. § 502(a) (1994) (authorizing temporary injunctions in copyright infringement actions); 35 U.S.C. § 283 (1994) (authorizing injunctions in accordance with principles of equity in patent infringement cases).

U.S. compliance with these requirements would not be affected by state sovereign immunity, since injunctive relief to prevent a state from infringing remains available in federal court through *Ex parte Young* actions.⁶⁶⁵ Third, TRIPs requires members to provide procedures by which allegedly infringing materials can be seized at a nation's borders.⁶⁶⁶ As discussed above, U.S. law provides for such procedures and state sovereign immunity would not appear to bar the detention of allegedly infringing material at the U.S. border by U.S. customs officials, so Eleventh Amendment immunity would not interfere with enforcement of such border measures in compliance with the TRIPs agreement.⁶⁶⁷

State sovereign immunity may, however, interfere with three specific remedial obligations under TRIPs involving damages, attorney's fees, and the destruction of infringing articles. Courts in a TRIPs member state must be able to order an infringer to pay "damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right."⁶⁶⁸ This requirement is limited to acts by an infringer who "knowingly, or with reasonable grounds to know, engaged in infringing activity."⁶⁶⁹ Constitutionally required state remedies might not meet this obligation to the extent that a state need not remedy merely negligent infringements and such infringements fall within the TRIPs category of acts committed by a party having "reasonable grounds to know" of the infringement. In such cases, TRIPs would require that damages be available to the rightsholder, but the Constitution would not require the infringing state to provide any remedy to the owner.

The damage provisions also require that a member state's courts "have the authority to order the infringer to pay the rightsholder expenses, which may include appropriate attorney's fees."⁶⁷⁰ To the extent that the Due Process Clause or the Takings Clause would not require a state to pay the costs or attorney's fees of an injured intellectual property owner,⁶⁷¹ state procedures could constitutionally withhold such a remedy. State enforcement proceedings might therefore not meet the standards imposed by TRIPs as to expenses. But where state tribunals hearing claims seeking

665. See *supra* Subsection II.C.3. This assumes that the specific provisions of federal law governing temporary relief meet the requirements set forth in Article 50. Whether or not that is the case, however, in no way turns on any question of state sovereign immunity.

666. TRIPs, arts. 51-60.

667. See *supra* notes 623-24 and accompanying text.

668. TRIPs, art. 45(1).

669. *Id.* art. 45(1).

670. *Id.* art. 45(2). See GERVAIS, *supra* note 649, at 203 (discussing "may" language), 207 (noting that expenses "may include 'appropriate' . . . attorneys' fees. The practice is well established in many jurisdictions, but in other territories, it is an exceptional measure which may lead to 'imbalances.' WTO Members have the necessary flexibility to implement this provision.").

671. See *supra* text accompanying notes 279-280.

compensation for intellectual property infringements "have the authority" to award costs and attorney's fees, even if the Constitution does not require that they do so, that would appear to meet the requirements of Article 45(2).

The final specific remedy that must be available in civil judicial proceedings involves seizure and disposition. First, a court must have the power to order the seizure and disposal of goods that it finds to be infringing,⁶⁷² and this relief is generally available under substantive federal intellectual property law.⁶⁷³ In addition, TRIPs requires that courts be able to order the seizure and disposal of "materials and implements[,] the predominant use of which has been in the creation of the infringing goods."⁶⁷⁴ Current federal copyright law appears to provide for this remedy:⁶⁷⁵ for example, a photocopy machine that has been used to print infringing copies of an article would be subject to seizure and disposition under U.S. copyright law. If printing infringing copies had been the "predominant use" of that printing press, then the availability of such seizure and disposition would be required under TRIPs. As discussed above, such seizures may be available to rightsholders by means of an *Ex parte Young* suit against a state official in federal court.⁶⁷⁶ To the extent such seizure is available, state sovereign immunity should not hinder U.S. compliance with this seizure obligation, but if seizure of property in the hands of a state is not allowed as part of an *Ex parte Young* action, then the United States would possibly be out of compliance with these seizure obligations under TRIPs.

3. *Summary.*—In sum, a state's ability to assert sovereign immunity as a defense to a foreign plaintiff's claim of infringement may bring the United States out of compliance with certain international obligations regarding the enforcement of the intellectual property rights of foreign nationals. Under the traditional intellectual property conventions, state sovereign immunity may put the United States out of compliance only with its obligation to permit the seizure of infringing copies under the Berne

672. TRIPs, art. 46.

673. 15 U.S.C. § 1118 (1994) (trademarks); 17 U.S.C. § 503 (1994) (copyrights).

674. TRIPs, art. 46.

675. 17 U.S.C. § 503 (1994) (allowing for impoundment and destruction of "all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced" (emphasis added)). Additionally, "[d]estruction orders may also encompass equipment and materials that, themselves noninfringing, are used in the unlawful reproduction of copyrighted works." 2 GOLDSTEIN, *supra* note 140, § 11.1.3.3. Trademark law provides for the destruction of labels, packages, and other items bearing an infringing mark, 15 U.S.C. § 1118, and for the destruction of counterfeit goods. See, e.g., *Sony Corp. v. Elm State Elec., Inc.*, 230 U.S.P.Q. 705 (D. Conn. 1986), *aff'd in part, vacated in part*, 800 F.2d 317 (2d Cir. 1986).

676. See *supra* Subsection II.C.4.

Convention. With respect to more recent trade-related agreements on intellectual property, state sovereign immunity may raise greater problems. Although TRIPs allows the United States under some conditions to provide more limited remedies for infringement by governments than by private parties, instances of state patent infringement may not meet those conditions. For copyright and trademark infringement, moreover, the remedies re-quired of a state by the Constitution may not qualify as the "adequate compensation" required under TRIPs for even government infringements, particularly in the case of negligent infringements.

If the United States must provide foreign plaintiffs in cases of government infringement the remedies generally required under TRIPs, then the remedies available against a state after *Florida Prepaid* may not meet those requirements. In particular, a state's ability to deny any monetary relief to an owner when the state has negligently infringed the owner's intellectual property and to refuse to pay attorney's fees to any plaintiff who prevails on an infringement claim would appear to contravene the obligations of the United States under TRIPs. Finally, TRIPs also appears to require that a court hearing a complaint of infringement by a state be able to order the seizure and disposal of infringing goods (or the instrumentalities of infringement) that are in the possession of a state, and it is not clear whether such seizure and disposal will be possible against a state in all circumstances in which TRIPs would require it. Overall, it appears likely that the remedies available to foreign plaintiffs whose intellectual property rights have been infringed by a state are less than those that the United States is obligated to provide to such plaintiffs under the international intellectual property agreements it has signed.⁶⁷⁷

B. The Limited Usefulness of the Treaty Power

Some have suggested that the same power that gives the federal government authority to enter into the agreements described in the last section also confers the power to override state sovereign immunity when those treaties are implemented.⁶⁷⁸ Peter Menell, for example, has written

677. The likelihood of action against the United States by another TRIPs signatory based on enforcement difficulties created by state sovereign immunity may be increased because a WTO member can initiate a "nonviolation complaint" against another member, in which the accused member has not violated an express provision of the agreement but has allegedly frustrated the objectives of the agreement or impaired a benefit that the complaining country could reasonably have expected to enjoy. See Neil Netanel, *The Next Round: The Impact of the WIPO Copyright Treaty on TRIPs Dispute Settlement*, 37 VA. J. INT'L. 441, 462 (1997).

678. The only specific reference to a "treaty power" appears in Article II, which confers on the President the "Power, by and with the Advice and Consent of the Senate, to make treaties, provided two-thirds of the senators present concur." U.S. CONST. art. II, § 2, cl. 2. Article VI makes "all Treaties made, or which shall be made, under the Authority of the United States" the "supreme Law

that “[b]ecause state sovereignty has never been understood to extend to international affairs, the Eleventh Amendment would not appear to limit this aspect of Congress’ Article I powers.”⁶⁷⁹ The invocation of foreign affairs, however, is not a magic wand that makes issues of federalism disappear—especially when those issues arise from affirmative limitations on the powers of the federal government, rather than from an asserted absence of federal enumerated power. We conclude that the Treaty Power adds nothing to Congress’s power to provide remedies against state governments in intellectual property cases that the Patent and Copyright Clause and the Commerce Clause did not already provide.

One might first take issue with Professor Menell’s assumption that “state sovereignty had never been understood to extend to international affairs.” If this is taken to mean that states have no powers or prerogatives in areas that may have an impact on foreign relations, then the statement is clearly incorrect. Virginia’s recent execution of the Paraguayan national Angel Breard, for example, involved both a core aspect of state sovereignty—the power to punish crimes under state law—as well as a serious problem for U.S. foreign policy.⁶⁸⁰ Although this overlap has existed since the founding,⁶⁸¹ it has grown more pronounced in recent years. As Peter Spiro has observed, “the communications revolution, the greater ease of travel, and the growing priority of trade over traditional national security issues” have hastened “a marked blurring of the distinction between foreign and domestic affairs.”⁶⁸² If we can no longer draw

of the Land,” *id.* art. VI, cl. 2, and the Necessary and Proper Clause is generally thought to give Congress the power to enact legislation implementing a treaty’s provisions. *See id.* art. I, § 8, cl. 18.

679. Menell, *supra* note 17, at 1460-61. *But see* *Principality of Monaco v. Mississippi*, 292 U.S. 313, 321-32 (1934) (holding that sovereign immunity extends to suits against states brought by foreign sovereigns).

680. *See, e.g., Breard v. Greene*, 523 U.S. 371 (1998); Curtis A. Bradley, Breard, *Our Dualist Constitution, and the Internationalist Conception*, 51 *STAN. L. REV.* 529 (1999). Importantly, the Supreme Court’s opinion in *Breard* invoked the Eleventh Amendment to bar Paraguay’s attempt to enjoin the execution, despite the foreign affairs context. *See Breard*, 523 U.S. at 377-78. For analysis and criticism of the Court’s holding that *Ex parte Young* would not support such an injunction, see Vázquez, *supra* note 310.

681. The Judiciary Act of 1789, for example, gave the state courts broad concurrent jurisdiction over admiralty cases, despite the fact that a primary justification for federal admiralty jurisdiction was the importance of maritime cases for American foreign relations. *See* Judiciary Act of 1789, ch. 20, § 9(a), 1 Stat. 77 (the “Saving to Suitors” clause); THE FEDERALIST NO. 80, at 478-79 (Alexander Hamilton) (Clinton Rossiter ed., 1961) (arguing for federal admiralty jurisdiction based on the impact of maritime cases on “the rights of foreigners”); Ernest A. Young, *Preemption at Sea*, 67 *GEO. WASH. L. REV.* 273, 279-84, 314-17 (1999) (discussing the history of the admiralty jurisdiction and its relation to concerns about foreign affairs). Although the federal admiralty courts were clearly intended to play the primary role in the public law maritime cases touching most directly on foreign affairs, *see id.* at 314-16, the important point is that the states were not excluded altogether from this critical area.

682. Peter J. Spiro, *Foreign Relations Federalism*, 70 *U. COLO. L. REV.* 1223, 1247 (1999); *see also* Jack L. Goldsmith, *Federal Courts, Foreign Affairs, and Federalism*, 83 *VA. L. REV.* 1617, 1673 (1997) (making a similar observation).

a bright line between foreign affairs and domestic ones, then it will be hard to categorically exclude states from the former.⁶⁸³

In any event, broad formulations of the treaty power are typically employed to justify federal legislation implementing a treaty that would otherwise be beyond the scope of Congress's enumerated powers.⁶⁸⁴ The argument is that the treaty power—and Congress's corresponding implementation power—is free-standing, permitting legislation that does not implicate interstate commerce or some other enumerated subject in Article I.⁶⁸⁵ But that is not the situation here; international agreements protecting intellectual property fall not only within the treaty power, but also within the Patent and Copyright Clause and the Commerce Clause of Article I. No one questions that the President has power to make such treaties or that Congress has power to implement them through appropriate legislation.⁶⁸⁶

The problem, rather, is that Professor Menell and others advocate the use of the Treaty Power to override an *affirmative* limit on Congress's power. Such limits—the provisions of the Bill of Rights being the quintessential example—bar even federal legislation that would otherwise fall within Congress's enumerated powers.⁶⁸⁷ A ban on the interstate shipment of newspapers would clearly fall within the federal Commerce Power, for instance, but the measure would nonetheless be foreclosed by the First Amendment. Likewise, *Florida Prepaid* did not question that the PRCA fell within Congress's power under the Patent Clause; the difficulty arose instead from the affirmative limit on all Congress's Article I powers imposed by the Eleventh Amendment.

683. See Ernest A. Young, *Dual Federalism, Concurrent Jurisdiction, and the Foreign Affairs Exception*, 69 GEO. WASH. L. REV. (forthcoming Spring 2001).

684. See generally *Missouri v. Holland*, 252 U.S. 416 (1920) (upholding a migratory bird protection statute, which was assumed to be otherwise beyond the Commerce Power, because it was designed to implement a treaty with Canada); Curtis A. Bradley, *The Treaty Power and American Federalism*, 97 MICH. L. REV. 390 (1998) (critiquing this broad view of the treaty power).

685. See LOUIS HENKIN, *FOREIGN AFFAIRS AND THE UNITED STATES CONSTITUTION* 191 (2d ed. 1996); Bradley, *supra* note 684, at 393.

686. The TRIPs agreement was not adopted by the United States pursuant to the treaty ratification provisions of Article II, § 2. Instead, the agreement was approved and authorized by a law passed by the House and the Senate and signed by the President. Pub. L. 103-465, § 101(a), (d)(15), 108 Stat. 4809 (1994). Whether or not that fact complicates the constitutional analysis is beyond the scope of this Article.

687. See, e.g., HENKIN, *supra* note 685, at 1 n**. Professor Henkin writes:

A student of the Constitution learns to distinguish between two kinds of limitations: since the federal government has limited powers, since each of its branches has defined authority, one asks first whether an act is within the power of the federal government and of the branch that claims authority to exercise it. . . . A distinct and subsequent question is whether an action within the domain of the federal government, and of the particular branch, is nonetheless prohibited by the Constitution, for example, because it violates the Bill of Rights.

While the ability of treaties to expand Congress's enumerated powers is disputed,⁶⁸⁸ the fact that treaties remain subject to affirmative constitutional limits is generally not. In *Reid v. Covert*,⁶⁸⁹ the government sought to defend the trial of two civilians living abroad before a military court without a jury, in contravention of Article III and the Fifth and Sixth Amendments, on the ground that such trial was pursuant to legislation implementing treaties with the host countries. Justice Black responded that "[t]he obvious and decisive answer to this, of course, is that no agreement with a foreign nation can confer power on the Congress, or on any other branch of Government, which is free from the restraints of the Constitution."⁶⁹⁰ The Court carefully distinguished its prior holding in *Missouri v. Holland*,⁶⁹¹ which gave a broad scope to the treaty power. There, the Court said, "the treaty involved was not inconsistent with any specific provision of the Constitution."⁶⁹²

Justice Black gave three more specific reasons for the fairly obvious conclusion that treaties are subordinate to constitutional limitations. First, he refused to accord any significance to the Supremacy Clause's textual distinction between "Laws of the United States *which shall be made in Pursuance [of the Constitution]*" and "treaties made . . . under the Authority of the United States."⁶⁹³ The historical materials "make it clear," he said, that this distinction was intended merely to "grandfather" treaties made by the U.S. government prior to the Constitution's ratification.⁶⁹⁴ Second, he argued that to permit the government to act by treaty in a way that avoided otherwise applicable constitutional limitations "would permit amendment of that document in a manner not sanctioned by Article V."⁶⁹⁵ Such a result, he said, "would be manifestly contrary . . . to our entire constitutional history and tradition."⁶⁹⁶ Finally, Justice Black observed that "an Act of Congress, which must comply with the Constitution, is on a full parity with a treaty"; under these circumstances, "[i]t would be completely anomalous to say that a treaty need not comply with the Constitution when such an agreement can be overridden by a statute that must conform to that instrument."⁶⁹⁷

688. See, e.g., Bradley, *supra* note 684, at 450-61 (arguing against this view).

689. 354 U.S. 1 (1957).

690. *Id.* at 16 (plurality opinion). Although Justice Black wrote for only four justices, none of the concurring or dissenting justices voiced any disagreement on this point.

691. 252 U.S. 416 (1920).

692. *Reid*, 354 U.S. at 18 (plurality opinion).

693. U.S. CONST. art. VI (emphasis added).

694. *Reid*, 354 U.S. at 16-17. The most important examples, of course, were the treaties that ended the Revolutionary War. See *id.*

695. *Id.* at 17.

696. *Id.*

697. *Id.* at 18.

While all of this is fairly well-accepted, *Reid's* conclusion is occasionally stated in a way that would confine its significance to the Constitution's affirmative limits on national action that protect *individual rights*.⁶⁹⁸ Martin Flaherty has thus suggested that the "barriers" to the treaty power identified in *Reid* "deal with the sovereignty of individuals rather than political subunits."⁶⁹⁹ But this conclusion draws too much from the particular context of *Reid*, which happened to involve the individual right to a jury trial under Article III and the Fifth and Sixth Amendments.⁷⁰⁰ Justice Black's language did not make this distinction between individual rights and structural constraints, and other courts both before and after *Reid* have stated the rule in more general terms.⁷⁰¹

This broader import emerges directly from Justice Black's specific arguments in *Reid*. Overriding the Eleventh Amendment pursuant to a treaty would amend the Constitution outside Article V in much the same manner as overriding the Sixth Amendment.⁷⁰² And the parity of statutes and treaties strongly suggests that *Seminole Tribe* should govern the latter just as it does the former.⁷⁰³ The important distinction in both *Reid* and *Holland* is thus between constitutional limitations arising from the *lack* of an enumerated power—which the treaty power supplies—and affirmative limitations stemming from "any specific provision of the Constitution."⁷⁰⁴ And despite the fact that the Court's view of state sovereign immunity extends far beyond the Eleventh Amendment's text, the Court continues to treat that immunity as an affirmative limit on Congress's authority.⁷⁰⁵ In

698. See, e.g., *Sahagian v. United States*, 864 F.2d 509, 513 (7th Cir. 1988) ("It is well settled that the *Bill of Rights* limits both the federal government's treaty-making powers as well as actions taken by federal officials pursuant to the federal government's treaties." (emphasis added)); *Oneida Indian Nation of New York v. State of New York*, 860 F.2d 1145, 1163 (2d Cir. 1988) ("[T]he treaty power cannot override constitutional limitations respecting individual rights . . . though the relation of this power to state prerogatives is less certain." (citations omitted)).

699. Martin S. Flaherty, *Are We to Be a Nation? Federal Power vs. "States' Rights" in Foreign Affairs*, 70 U. COLO. L. REV. 1277, 1300 (1999).

700. It is not obvious, however, that the jury trial guarantee involved in *Reid* is a purely individual provision. See AKHIL REED AMAR, *THE BILL OF RIGHTS: CREATION AND RECONSTRUCTION* 88-93 (1998) (discussing the significance of the Constitution's jury trial guarantees for federalism).

701. See, e.g., *Geofroy v. Riggs*, 133 U.S. 258, 267 (1890) ("It would not be contended that [the treaty power] extends so far as to authorize what the Constitution forbids . . ."); *In re Aircrash in Bali*, 684 F.2d 1301, 1308-09 (9th Cir. 1982) (stating that "there is no doubt that the power to make treaties is circumscribed by substantive provisions of the Constitution"); *Edwards v. Carter*, 580 F.2d 1055, 1058 (D.C. Cir. 1978) ("[T]he treaty power, like all powers granted to the United States, is limited by other restraints found in the Constitution on the exercise of governmental power.").

702. See *Reid*, 354 U.S. at 17 (rejecting the possibility of such an amendment).

703. See *id.* at 18 (emphasizing the parity of treaties and statutes).

704. *Id.* Professor Flaherty acknowledges this distinction. After characterizing *Reid* as holding that treaties are limited by the individual rights provisions of the Constitution, he asserts that "[n]o parallel authority supports states' rights, at least as embodied in nontextual or general notions of federalism." Flaherty, *supra* note 699, at 1300 (emphasis added).

705. See, e.g., *Alden v. Maine*, 527 U.S. 706, 728 (1999) (acknowledging that state "sovereign immunity derives not from the Eleventh Amendment but from the structure of the original Constitution

College Savings Bank, for example, Justice Scalia explicitly equated state sovereign immunity with the jury trial right at issue in *Reid*: “State sovereign immunity, no less than the right to trial by jury in criminal cases, is constitutionally protected.”⁷⁰⁶ And the Court rejected the doctrine of “constructive waiver” of immunity precisely because such waiver is not permitted in the context of individual rights.⁷⁰⁷ Nothing suggests that the Court is prepared to distinguish between affirmative limits on federal power that protect individuals and those that protect states.⁷⁰⁸

We do not mean to suggest that strong arguments—indeed, *correct* arguments—cannot be made that the federal sovereign power over foreign affairs ought to trump aspects of state sovereignty like sovereign immunity (at least in cases where that immunity does not fall within the actual *text* of the Eleventh Amendment). Our point, however, is that this is true simply because state sovereign immunity ought not extend to suits arising under federal law.⁷⁰⁹ There is nothing special about the *foreign* functions of the federal government, however, that can revive the arguments rejected in *Seminole Tribe*. Having passed through the looking glass in that case, we must analyze the relationship between the treaty power and state sovereign immunity *as the Court that decided Seminole Tribe, Alden, Florida Prepaid, and College Savings Bank would conceive it*. Those decisions place their expansive view of state sovereign immunity on a par with

itself”). We suspect, in any event, that the *affirmative* nature of a limitation—that is, the fact that it bars congressional action even when that action falls safely within an enumerated power—is more important than the *textual* basis for it. It would be surprising, for example, to find that *Reid*’s holding permitted the Federal Government to outlaw abortion when acting pursuant to a treaty, simply because the abortion right is textually unenumerated. *See also* Young, *Jurisprudence of Structure, supra* note 30, at 1624-30 (demonstrating that limitations like state sovereign immunity frequently have some textual hook, even though structural principles are doing all the work in defining the limitation’s meaning).

706. *College Sav. Bank*, 527 U.S. 666, 682 (1999); *see also id.* (describing state sovereign immunity as a member of the class of “fundamental constitutional rights”).

707. *See id.* (noting that constructive waivers “are simply unheard of in the context of *other* constitutionally protected privileges”); *Edelman v. Jordan*, 415 U.S. 651, 673 (1974) (“Constructive consent is not a doctrine commonly associated with the surrender of constitutional rights.”). These statements may well be too categorical to reflect the law in all areas, but the Court’s willingness to equate states and individuals should be clear.

708. Any such distinction, moreover, would ignore the fact that the purpose of structural limitations in general, and federalism rules in particular, is ultimately to protect individual rights. *See, e.g., Gregory v. Ashcroft*, 501 U.S. 452, 458 (1991) (“The constitutionally mandated balance of power between the States and the Federal Government was adopted by the Framers to ensure the protection of our fundamental liberties.” (quoting *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 242 (1985))); MARTIN H. REDISH, *THE CONSTITUTION AS POLITICAL STRUCTURE* 4 (1995) (“Even a casual review of . . . American constitutional theory reveals that any purported dichotomy between constitutional structure and constitutional rights is a dangerous and false one. . . . [T]he structural provisions are designed to reduce the possibility that individual liberties will, at some future point, be directly assaulted by government.”).

709. *See Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 182-85 (1996) (Souter, J., dissenting).

constitutional text and on a par with individual rights. Unless and until that interpretation changes,⁷¹⁰ the treaty power cannot prevail against it.⁷¹¹

C. *Suits by the United States on Behalf of Foreign Plaintiffs*

Although the treaty power cannot support forms of abrogation that would be impermissible if undertaken pursuant to Congress's other Article I powers, other mechanisms exist which may suffice to avoid violations of U.S. obligations under international intellectual property agreements. One promising possibility involves suits by the United States on behalf of foreign intellectual property plaintiffs. We have already discussed how political pressures and resource constraints will generally block direct suits by the United States on behalf of private plaintiffs, and how attempts to allow private parties to stand in for the United States are unlikely to stand scrutiny.⁷¹² However, suits by foreign plaintiffs that implicate U.S. treaty obligations represent a class of cases that may be sufficiently small to minimize resource concerns and in which the political incentives to provide a remedy may be particularly high.⁷¹³ Hence, while suits by the United States are technically an option in *any* case—foreign or domestic—where state sovereign immunity blocks a remedy for federal rights, this remedy may be uniquely viable with respect to suits that implicate TRIPs and similar agreements.

710. Such a change would require not only a change in personnel, but also an argument as to why *Seminole Tribe* is not entitled to respect under principles of *stare decisis*. See, e.g., *Planned Parenthood v. Casey*, 505 U.S. 833, 854-69 (1992) (plurality opinion of O'Connor, Kennedy, & Souter, JJ.) (explaining that the wrongness of the prior decision is not the only criterion for overruling it). In any event, the right sort of personnel change seems unlikely for at least four more years.

711. See also HENKIN, *supra* note 685, at 166 (acknowledging that "the sovereign immunity of the states . . . would presumably limit federal regulation under foreign affairs powers as well").

712. See *supra* Section III.A.

713. One might argue that, because foreign owners of intellectual property are not directly represented in the American electorate, the political incentives to provide remedies to this group are particularly low. Cf. *Southern Pacific Co. v. Arizona*, 325 U.S. 761 (1945) (observing that "to the extent [the] burden of state regulation falls on interests outside the state it is unlikely to be alleviated by the operation of those political restraints normally exerted when interests within the state are affected"). Measures to enforce compliance with international intellectual property agreements, however, seem likely to generate support from important domestic constituencies. American owners of intellectual property, for instance, have an important stake in United States compliance with TRIPs because those owners wish other countries to respect the intellectual property rights of Americans. See Menell, *supra* note 17, at 1464 (arguing that "[i]n order to sustain this growth [in the U.S. technology sector] it is increasingly important that the United States both comply with international law and maintain the credibility to pressure other nations to do the same"). Private industry that might become subject to retaliatory trade sanctions for U.S. noncompliance with TRIPs, would likewise have a stake in federal compliance measures. And we would expect the federal foreign policy bureaucracy strongly to support efforts to prevent states from undermining federal diplomatic initiatives. Cf. *id.* at 1455-60 (describing the difficulties that state immunity may cause for United States diplomatic efforts to strengthen intellectual property protections around the world).

It thus ought to be both practical and worthwhile for Congress to enact a specific statutory authorization for federal government suits to enforce federal intellectual property rights held by foreign parties.⁷¹⁴ As the Court recognized in *Alden*, Congress has provided for precisely these sorts of suits in statutes like the Fair Labor Standards Act, which specifically authorizes suits by the Department of Labor on behalf of private employees.⁷¹⁵ As Professor Siegel points out, the lower federal courts have "uniformly approved suits by the Secretary of Labor against states, holding them not barred by the Eleventh Amendment, even though the suits were brought to redress injuries to private parties and the money recovered went to the private parties."⁷¹⁶ This option thus appears to require a purely practical judgment by Congress: Do the risks of noncompliance with international intellectual property agreements warrant devoting federal resources to the prosecution of suits against state governments on behalf of foreign plaintiffs?

Congress's resolution of this question will likely turn on a variety of empirical questions. How often do state governments infringe intellectual property rights held by foreign parties? In what subset of those cases do states fail to provide remedies that would independently satisfy our international obligations? And what are the costs to the United States government of bringing suit on behalf of these foreign parties? While we are not well situated to provide answers to those questions, it seems likely that the federal government may find such suits an attractive option, especially in those cases that seem likely to bring legal sanctions upon the United States for failure to observe its treaty obligations.

VI. Conclusion

More than anything else, this discussion may convey a sense of the Byzantine complexity of the issues that Congress must confront if it seeks a comprehensive solution to the problem of providing remedies for state intellectual property violations. Nonetheless, some basic conclusions emerge:

First, notwithstanding the Court's rejection of an abrogation statute in *Florida Prepaid*, a more limited abrogation strategy may be worth another

714. *Cf.* *United States v. San Jacinto Tin Co.*, 125 U.S. 273, 285-86 (1888) (suggesting that the United States government *must* have specific statutory authorization to sue "if it is apparent that the suit is brought for the benefit of some third party, and that the United States has no pecuniary interest in the remedy sought").

715. *See Alden v. Maine*, 527 U.S. 706, 759 (1999) (citing 29 U.S.C. § 216(c) (1994)).

716. Siegel, *supra* note 16, at 70 (citing *Marshall v. A&M Consol. Indep. Sch. Dist.*, 605 F.2d 186, 188-89 (5th Cir. 1979); *Dunlop v. New Jersey*, 522 F.2d 504, 513-17 (3d Cir. 1975), *vacated on other grounds sub nom. New Jersey v. Usery*, 427 U.S. 909 (1976); *Dunlop v. Rhode Island*, 398 F. Supp. 1269, 1270-72 (D.R.I. 1975)).

try. If Congress restricts abrogation to cases of non-negligent infringement in which the states can be shown to provide inadequate remedies, Congress can avoid the effort and uncertainty of attempting to build a legislative record that might (or might not) support a more comprehensive abrogation provision. Because it keys abrogation to the presence of an actual constitutional violation in each individual case, the Leahy Bill's abrogation proposal is the most precise way to do this—and it is clearly constitutional. Such an approach, however, might have the primary effect of inducing the states to provide better remedies in state court (on pain of abrogation if they don't), and the Constitution does not require those remedies to be as good as those available under federal intellectual property statutes. To some extent, then, the abrogation proposal presents a trade-off: It seems virtually certain to withstand constitutional scrutiny, but it is unlikely to achieve everything Congress would like.

Second, waiver strategies avoid many of the complexities associated with abrogation, but they come with risks of their own. Although the Court's unconstitutional conditions doctrine is notoriously inconsistent and difficult, the Leahy Bill's broad requirement that states waive all of their sovereign immunity for intellectual property suits in order to receive any protection for their own works and inventions seems problematic from any number of different perspectives. Although the Supreme Court has not yet moved to tighten the unconstitutional conditions doctrine where the states are concerned, such a statute might provide an irresistible temptation. Less ambitious waiver strategies such as targeted conditions on federal research grants, on the other hand, may well pass constitutional muster. In any event, waiver strategies seem to present the flip-side of the abrogation trade off: They are more constitutionally risky, but they also hold out the prospect of securing a broader range of remedies for intellectual property owners than the abrogation proposal can guarantee.

Third, the United States can likely ensure substantial compliance with its treaty obligations without necessarily pursuing either a broad-based abrogation or waiver strategy. Given the continuing availability of injunctive relief, the United States may presently be in substantial compliance with those obligations notwithstanding *Florida Prepaid*. If further remedies are required the United States could probably bring suit itself on behalf of foreign plaintiffs without unduly straining federal resources, given the likely small number of international suits. More ambitious attempts to end-run state sovereign immunity based on the treaty power or a *qui tam* strategy, however, are likely to fail.

Other issues will no doubt emerge as Congress continues to work toward accommodating the requirements of state sovereignty while protecting the important policies underlying the federal intellectual property laws. Neither proponents of states' rights nor the community of private intellectual property owners are likely to be entirely happy with the

compromises that must inevitably be struck. We hope to have shown, however, that means exist by which Congress can accommodate the central concerns of both positions in a way that will survive judicial scrutiny.