Remedies for the Misappropriation of Intellectual Property by State and Municipal Governments Before and After Seminole Tribe: The Eleventh Amendment and Other Immunity Doctrines

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Introduction

Consider the following appropriations of intellectual property that might be committed by public employees: (1) During the course of her development of a new technique for cheaply producing large amounts of the anti-cancer drug taxol, a professor at a public university makes unauthorized uses of a patented cloning process; (2) In the course of training new accountants in a state tax office, a supervisor makes and distributes photocopies of a substantial portion of a popular accounting text; (3) In order to calm parents who are worried about the quality of the food in a public elementary school cafeteria, the principal misleads them into believing that the food is made by a popular local catering service; (4) In the course of her regulatory duties, an employee of a state environmental agency releases confidential business information to the public without the owner’s consent; (5) In order to commemorate famous residents of its state, the head of the state’s tourism office strikes and sells medals of several popular entertainers. Given the likely inadequacy of a suit for infringement against an individual who has committed a wrongful act, owners of patents, copyrights, trademarks, trade secrets, and publicity rights have begun to bring suits against the governments that benefit from misappropriations by their officials.

The answer to the simple but important question of whether a state or local government can be held liable for the unauthorized appropriation of private intellectual property turns out to be frustratingly complex. The result of a lawsuit brought by an aggrieved rights-holder will turn on numerous variables: Is the named defendant in the suit the state government, a state
employee acting in his official capacity, a municipality, a municipal employee acting in his official capacity, or an individual? Is the requested relief monetary or injunctive? Is the intellectual property at issue a patent, copyright, trademark, trade secret, publicity right, or the right to be free from false advertising? Is the suit brought in state or federal court? Is the cause of action based on state law or federal law? Is the appropriation an exercise of a state’s right of eminent domain or an inverse condemnation of property under the Takings Clause?

The recent enactment of federal legislation purporting to abrogate state immunity from suit in cases involving patents, copyrights, trademarks, and false advertising promised briefly to simplify the question of state liability. The Supreme Court’s subsequent landmark decision in Seminole Tribe of Florida v. Florida, however, has reinvigorated state claims to sovereign immunity and thereby increased uncertainty over the potential liability of a state or a state actor for the unauthorized use of intellectual property. Given the increasingly important role played by intellectual property in the economy, particularly in the areas of computer software and biotechnology, and given


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, shall not be immune, under the Eleventh Amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person, including any governmental or non-governmental entity, for infringement of a patent . . . or for any other violation under this title.

Id.


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, shall not be immune, under the Eleventh Amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person . . . for a violation of any of the exclusive rights of the copyright owner provided by . . . this title.

Id.


Any State, any instrumentality of a State or any officer or employee of a State or instrumentality of a State acting in his official capacity, shall not be immune, under the Eleventh Amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person . . . for any violation under this chapter.

Id.

4. See id.

the pervasive use of intellectual property by state agencies and universities, the need for clarity is particularly acute. State and municipal governments desperately need guidance on the precise parameters of their potential liability, especially because courts and commentators have begun to conclude, too hastily in our view, that Seminole Tribe nullifies the abrogating statutes.  


In addition, numerous recent cases involve patent and copyright suits brought against states and state universities. See generally College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 148 F.3d 1343 (Fed. Cir. 1998) (holding that patent claims against state agency are not barred by Eleventh Amendment), petition for cert. filed, 67 U.S.L.W. 3259 (U.S. Sept. 28, 1998) (No. 98-351); Chavez v. Arte Publico Press, No. 93-2881, 1998 WL 685623 (5th Cir. Oct. 1, 1998) (concluding that copyright and false advertising claims brought against state university press are barred by Eleventh Amendment); Genentech, Inc. v. Eli Lilly & Co., 998 F.2d 931 (Fed. Cir. 1993) (concluding that patent suit against state university is not barred by Eleventh Amendment); Jacobs Wind Elec. Co. v. Florida Dep't of Transp., 919 F.2d 726 (Fed. Cir. 1990) (holding that patent suit against state agency is barred by Eleventh Amendment); Chew v. California, 893 F.2d 331 (Fed. Cir. 1990) (concluding that patent suit against state is barred by Eleventh Amendment); Lane v. First Nat'l Bank, 871 F.2d 166 (1st Cir. 1989) (concluding that copyright suit against state is barred by Eleventh Amendment); BV Eng'g v. UCLA, 858 F.2d 1394 (9th Cir. 1988) (finding that copyright suit against state is barred by Eleventh Amendment); Richard Anderson Photography v. Brown, 852 F.2d 114 (4th Cir. 1988) (holding that copyright suit against state university is barred by Eleventh Amendment); Better Gov't Bureau, Inc. v. McGraw, 904 F. Supp. 540 (S.D. W. Va. 1995) (holding that federal unfair competition suit against state agency is not barred by Eleventh Amendment), aff'd sub nom. In re Allen, 106 F.3d 582 (4th Cir. 1997), cert. denied, 118 S. Ct. 689 (1998); Unix Sys. Lab., Inc. v. Berkeley Software Design, Inc., 832 F. Supp. 790 (D.N.J. 1993) (concluding that copyright and trademark causes of action against state university are not barred by Eleventh Amendment, but trade secret claim is barred).


In order to construct a liability roadmap for the states, specialists in the substantive law of intellectual property and experts in the field of federal jurisdiction must combine forces. Although the contours of intellectual property protection are continually shifting and the law of federal jurisdiction is notoriously slippery, a convincing picture of much of the law governing the misappropriation of intellectual property by governments and governmental actors can be outlined, and unresolved issues can be identified with some precision.

Part I of this Article addresses relief available to intellectual property owners under the Takings Clause of the Fifth Amendment. Before Congress’s express abrogation of state sovereign immunity in 1992, federal, state, and local governments were nonetheless potentially liable for misappropriations of intellectual property that constituted takings without just compensation.8 This examination of the Supreme Court’s Fifth Amendment jurisprudence is also key to answering the critical question of whether federal patent, copyright, and trademark laws establish rights in "property" for the purposes of the Fourteenth Amendment, for only under section 5 of the Fourteenth Amendment may Congress abrogate a state’s Eleventh Amendment immunity.

Intellectual property owners, not surprisingly, were dissatisfied with the rather limited restitutionary nature of the states’ Fifth Amendment liability. In 1992, these owners convinced Congress to make the broader remedies found in federal intellectual property laws applicable against the states. Part II addresses whether the Court’s decision in Seminole Tribe — that Congress cannot abrogate a state’s Eleventh Amendment immunity9 pursuant to any of

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8. See Jacobs Wind Elec. Co. v. Florida Dep’t of Transp., 919 F.2d 726, 728 (Fed. Cir. 1990) (stating that patentee "may also assert a ‘takings’ claim against the state under the Fifth and Fourteenth Amendments"); Lane v. First Nat’l Bank, 871 F.2d 166, 174 (1st Cir. 1989) (stating that if copyright owner “exhausts State remedies and establishes that the Massachusetts legal system affords her no just compensation for the wrongful confiscation of her property, the Takings Clause of the federal Constitution might at that point enable her to pursue a damage remedy in federal court”); cf. Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1003-04 (1984) (holding that trade secrets are protected by Takings Clause of Fifth Amendment in suit against federal government); James v. Campbell, 104 U.S. 356, 357-58 (1882) (stating that when government grants patent, it confers on patentee exclusive property that cannot be used or appropriated by government itself without just compensation).

9. See U.S. CONST. amend. XI. The Eleventh Amendment provides that "[t]he 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." Id. This clause has been interpreted to bar federal court suits brought by individuals, foreign governments, or Indian tribes, regardless of their state
its Article I powers—renders the 1992 abrogating legislation unconstitutional. The question is of vital interest to owners of federal intellectual property because unlike the remedy for a takings claim, a valid claim for patent, copyright, trademark infringement, or false advertising carries with it the presumption of injunctive relief and the possibility of monetary damages beyond mere restitution.10

Moreover, litigating under these statutes affords the plaintiff the subtle but potentially decisive advantage of access to a federal forum for his federal claims.11 After analyzing the Court's recent clarifying opinion in City of Boerne v. Flores,12 we conclude that Congress properly exercised its power under section 5 of the Fourteenth Amendment to render states liable in federal court for patent, copyright, and trademark infringement, but probably not for false advertising claims. Even if the Court disagrees and strikes down the abrogating statutes, we conclude that principles of sovereign immunity probably would not prevent the successful pursuit of a remedy for the violation of a federal statute in state court.

In Part III, we discuss how the liability landscape differs when the defendant is a state official or a local government being sued for a statutory or constitutional violation under the federal intellectual property statutes or under 42 U.S.C. § 1983. When a local government has taken property pursuant to an "official policy," the plaintiff may be obliged to pursue an inverse condemnation suit in state court in lieu of, or at least before, bringing a federal suit under § 1983. When an officer acts outside the "official policy" of a local government, a federal § 1983 suit is appropriate, and both damages and prospective relief will often be available.

Because suits over government intrusions on intellectual property rights may be brought under federal statutory and constitutional law and state condemnation law, and in both federal and state courts, the need arises to coordinate the work of the two judicial systems. Part IV identifies and addresses these jurisdictional issues.


I. Intellectual Property and the Takings Clause

Congress did not attempt to abrogate Eleventh Amendment immunity in patent, copyright, and trademark cases until 1992. This is not to say, however, that states and their "arms" had historically been able to misappropriate intellectual property with impunity. The Fifth Amendment provides that the federal government may not take private property for public use without offering just compensation for the deprivation. This clause has long been interpreted as forbidding uncompensated takings of property by states and municipalities as well. Under the Eleventh Amendment, claims of compensation against a state must be brought in state court. The Eleventh Amendment does not, however, divest the Supreme Court of jurisdiction to hear the appeals of disappointed state court takings clause litigants. Therefore, to the extent that intellectual property constitutes "private property" for the purposes of the Fifth Amendment, states have always been potentially liable for some misappropriations.

The Court has defined "property" very broadly in the Fifth Amendment context. Property is not limited to the vulgar and untechnical sense of the physical thing with respect to which the citizen exercises rights recognized by law. [Instead it]... denote[s] the

13. U.S. CONST. amend. XI ("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.").

14. U.S. CONST. amend. V ("[N]or shall private property be taken for public use, without just compensation.").

15. See Chicago, Burlington & Quincy R.R. v. Chicago, 166 U.S. 226, 241 (1897) (concluding that private property taken by state without just compensation to owner is "wanting in the due process of law required by the 14th Amendment of the Constitution of the United States"). This was the first provision of the Bill of Rights to be applied to the states. See ERWIN CHEMERINSKY, CONSTITUTIONAL LAW: PRINCIPLES AND POLICIES § 8.4.1, at 504 & n.1 (1997).


17. See McKesson Corp. v. Division of Alcoholic Bev. & Tobacco, 496 U.S. 18, 26 (1990) (rejecting idea that Eleventh Amendment precludes Supreme Court's exercise of appellate jurisdiction in state court suit against state for monetary relief).
group of rights inhering in the citizen's relation to the physical thing, as the right to possess, use and dispose of it . . . . The constitutional provision is addressed to every sort of interest the citizen may possess. 18

In concluding that copyrights constitute protectable interests, or property, Professors Dreyfuss and Kwall identify specifically the right to exclude, the right to manage, and the right to derive an economic benefit as legal interests marking something as property. 19 Economists tend to focus on the right to exclude others from unauthorized use as the key component in defining a property right. 20 The right to exclude others is, of course, the hallmark of both federal and state intellectual property systems.

Two Supreme Court decisions suggest strongly that intellectual property shares the constitutional protection afforded by the Fifth Amendment's command that "private property [shall not] be taken for public use, without just compensation." 21 In 1882, the Court in James v. Campbell 22 declared that patents were protected by the Takings Clause. 23 A century later, in Ruckelshaus v. Monsanto Co., 24 the Court extended the Fifth Amendment guarantee to trade secrets protected under state law. 25 Ruckelshaus is particularly important to the determination of which types of intellectual property are protected. If trade secrets, one of the weakest forms of intellectual property, 26 are protected by the Fifth Amendment, then patents, copyrights, and trademarks must logically be protected as well.

In the intellectual property context, two questions require careful attention. Liability is based on a "taking" of "property." Which common law or statutory rights qualify as "property," thus triggering the protection of the Takings Clause? What kinds of governmental interference amount to a "taking" of that property?

21. U.S. Const. amend. V. The Fifth Amendment is directed to the national government. It was first applied to the states in 1897. See supra note 15.
26. See infra notes 33-39 and accompanying text (discussing Court's finding in Ruckelshaus that government's revealing of trade secret is taking under Fifth Amendment).
A. Is Intellectual Property Fifth Amendment Property?

By limiting the Fifth Amendment guarantee to "property," the framers obliged the Supreme Court to come up with criteria for identifying those interests that qualify as property and for excluding others that would fail the test. The scarce case law on the subject indicates that the Fifth Amendment applies in a fairly broad manner to legal rights in intellectual property. In 1882, the Court in *James v. Campbell* considered a claim that a United States postmaster had infringed the patent for a letter stamping device. The Court held:

That the Government of the United States when it grants letters patent for a new invention or discovery in the arts, confers upon the patentee an exclusive property in the patented invention which cannot be appropriated or used by the Government itself, without just compensation, any more than it can appropriate or use without compensation land . . . .

The Court found that the sovereign retained no right to make use of patented devices. It reasoned that incentives to invent valuable devices such as "explosive shells, rams and submarine batteries" would be curtailed were the government to have the right to infringe a patent without paying just compensation.

Were *Campbell* the only precedent on point, one might legitimately question whether weaker forms of intellectual property, such as copyrights and trademarks, should also be considered property for the purposes of the Fifth Amendment. Copyrights and trademarks, after all, do not confer the same powerful set of exclusive rights as patents, nor do they generally confer the sort of power in the market that a patent does. In 1984, however, in

27. *See supra* notes 21-26 and accompanying text.
28. *Campbell*, 104 U.S. at 357.
29. *Id.* at 357-58; *see* Hartford-Empire Co. v. United States, 323 U.S. 386, 415 (1945) ("That a patent is property, protected against appropriation both by individuals and by government, has long been settled.").
30. *James v. Campbell*, 104 U.S. 356, 358 (1882). This finding was unlike the practice in the ancient Venetian Republic, which retained prerogative to use freely devices for which it had issued a patent. *See* Giulio Mandich, *Venetian Patents (1450-1550)*, 30 J.PAT. OFF. SOC'Y 166, 177 (1948) (quoting Venetian statute from 1474).
32. *See infra* notes 61-65. Many unauthorized uses of copyrighted expression and trademarks are permitted. For example, independent creation and fair use are both defenses to copyright infringement that are unavailable in patent infringement actions. *See* 17 U.S.C. § 107 (1994) (stating that "the fair use of a copyrighted work . . . is not an infringement of copyright"). Unauthorized uses of trademarks are common (such as comparative advertising) and are not actionable in the absence of consumer confusion as to source or sponsorship. *See* 15 U.S.C. § 1125 (1994) (stating that person who uses mark is "liable in a civil action" if it "is likely to
Ruckelshaus v. Monsanto Co., the Court held that the weakest and least property-like form of intellectual property, the trade secret, constituted property for the purposes of the Fifth Amendment.\(^3\)

In Ruckelshaus, the Court considered a claim by Monsanto that confidential information it submitted to the Environmental Protection Agency (EPA) constituted property under Missouri law that was "taken" by the agency when it was disclosed to Monsanto's competitors.\(^3\) Because valuable information is only legally protectable under trade secret doctrine if it is in fact secret,\(^3\) disclosure by the EPA disabled Monsanto's legal right to prevent others from misappropriating its information.\(^3\) The Court held that the federal government would have to compensate Monsanto for the value of trade secrets destroyed without its express or implied consent.\(^3\) Noting that it had earlier found other intangible rights to constitute "property,"\(^3\) the Court declared unequivocally that trade secrets were protected by the Fifth Amendment from uncompensated governmental takings.\(^3\)

To understand the breadth with which Ruckelshaus defines property, one must understand what a weak form of property a trade secret is. A trade secret is "any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others."\(^4\) The possessor of the information, however, is only protected from the acquisition of the information through breach of an express or implied promise or through a trespass.\(^4\)

cause confusion\(^3\). In addition, it is more difficult to see, especially with trademarks, how the national interest in the creation of valuable devices usable by the government is enhanced by the protection of copyrights and trademarks.

34. Id. at 998-99.
35. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 39 (1995) (defining trade secrets as information that is both valuable and secret).
36. Ruckelshaus, 467 U.S. at 1002.
37. Id. at 1002-04. The Court also noted that the vehicle for compensation is a claim under the Tucker Act. Id. at 1016.
38. Id. at 1003; see Armstrong v. United States, 364 U.S. 40, 44, 46 (1960) (finding that state law materialman's lien is Fifth Amendment property); Louisville Joint Stock Land Bank v. Radford, 295 U.S. 555, 596-602 (1935) (finding that real estate lien is Fifth Amendment property); Lynch v. United States, 292 U.S. 571, 579 (1934) (stating that valid contracts are Fifth Amendment property).
40. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 39.
41. See id. §§ 40, 43. Section 43 states that "[i]mproper means of acquiring another's trade secret under the rule stated in § 40 include theft, fraud, unauthorized interception of communications, inducement of or knowing participation in a breach of confidence . . . ." Relevant case law reveals one extraordinarily narrow exception. See E.I. duPont de Nemours
owner has no right to prevent someone from discovering the secret through reverse engineering or independent creation or because the owner has not taken reasonable precautions to keep it secret. In other words, the owner of a trade secret can enforce promises made to keep the information confidential, and it can sue those who acquire the information through independently tortious behavior, such as a physical trespass or fraud. Obviously, companies whose information does not qualify as a trade secret have a similar capacity to protect it through contract and the prosecution of trespassers and fraudfeasors.

What does it mean, then, to qualify as the owner of a trade secret? In essence, being able to prove possession of a trade secret means that one is entitled to enhanced remedies for breach of contract and for trespass beyond those that are normally available. A promise not to reveal a trade secret is enforceable through injunctive relief and potentially punishable by punitive damages, neither of which is available in a suit to enforce a typical promise. When the trade secret is obtained through a physical trespass, such as through the breaking of a window and the photographing of secret equipment, compensatory damages are measured by the profits that would be lost if the secret fell into the hands of the owner's competitors or by a reasonable royalty or by an accounting of the infringer's profits. They are not measured

\& Co. v. Rolfe Christopher, 431 F.2d 1012, 1017 (5th Cir. 1970) (finding that aerial photography of manufacturing plant under construction constituted improper acquisition of trade secrets).

42. See Restatement (Third) of Unfair Competition § 43 (1995) ("Independent discovery and analysis of publicly available products or information are not improper means of acquisition.").

43. See supra notes 40-42 and accompanying text.

44. Shrinkwrap licenses are often attempts to protect nonconfidential information through contract law. Their enforceability outside the trade secret context, however, is controversial. Compare ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1455 (7th Cir. 1996) (enforcing contract that restricted buyer beyond limits of intellectual property law) with Vault Corp. v. Quaid Software Ltd., 847 F.2d 255, 270 (5th Cir. 1988) (finding state statute permitting enforcement of broad shrinkwrap license void under Supremacy Clause).

45. Restatement (Third) of Unfair Competition § 44.

46. Id. § 45 cmt. i; see Clark v. Bunker, 453 F.2d 1006, 1011-12 (9th Cir. 1972) (stating that court has power to award punitive damages in action for misappropriation of trade secret).

47. See E. Allen Farnsworth, Farnsworth on Contracts § 12.4, at 160 (2d ed. 1998) (noting that "usual form of relief at common law was substitutional ... that the plaintiff recover from the defendant a sum of money"); id. § 12.8, at 192-93 (stating that for breach of contract actions, "a court will not ordinarily award damages that are described as 'punitive'" and "[n]o matter how reprehensible the breach, damages are generally limited to those required to compensate the injured party for lost expectations").

48. See Restatement (Third) of Unfair Competition § 45(1) (1995) (stating that monetary remedy should be greater of owner's actual pecuniary loss or misappropriator's gain);
merely by the cost of replacing the window. In other words, to be the owner of a trade secret means only that one can recover tort-like remedies for a breach of promise and contract or unjust enrichment-like remedies for a tort.\textsuperscript{49}

This is not to say that trade secrets should not qualify as property for the purposes of the Fifth Amendment. As the Court noted in \textit{Ruckelshaus}, trade secrets bear many attributes traditionally associated with tangible property: they are assignable,\textsuperscript{50} they can form the res of a trust,\textsuperscript{51} and a debtor's interest in a trade secret passes to the trustee in bankruptcy.\textsuperscript{52} Patents, copyrights, and trademarks\textsuperscript{53} share all of these attributes with trade secrets.

Trade secrets, however, are a significantly more ephemeral form of property than patents, copyrights, and trademarks. The term of protection is uncertain—the moment the secret becomes known through disclosure, reverse engineering, or independent discovery, legal protection vanishes.\textsuperscript{54} Due to the lack of a registration system and the nature of the right itself, trade secrets often do not have clearly identifiable exclusive owners.\textsuperscript{55} Rights and remedies vary from state to state.\textsuperscript{56} Licensing is difficult due to the lack of a registration system and the practical problems created by the fact that one must reveal a secret in order to market it.\textsuperscript{57} The central rationale of the Court in \textit{Kewanee Oil Co. v. Bicron Corp.},\textsuperscript{58} which held that federal patent law did not preempt state trade secret law, was based on the Court's finding that the level of protection under trade secret law is significantly inferior to the level of federal patent protection.\textsuperscript{59} State trade secret law did not directly conflict with the goals and objectives of federal law because the rights afforded trade secret owners were so weak.\textsuperscript{60}


\textsuperscript{51} Id. (citing RESTATEMENT (SECOND) OF TRUSTS § 82 cmt. e (1959)).

\textsuperscript{52} Id. (citing In re Uniservices, Inc., 517 F.2d 492, 496-97 (7th Cir. 1975)).

\textsuperscript{53} Trademarks, however, may not be assigned without the goodwill of the business or product that bears the trademark. See 15 U.S.C. § 1051 (1994).

\textsuperscript{54} See Heald, supra note 49, at 977 n.138.

\textsuperscript{55} Id.

\textsuperscript{56} Id.

\textsuperscript{57} Id.

\textsuperscript{58} 416 U.S. 470 (1974).


\textsuperscript{60} See id. at 487 (finding that "the potential rewards of patent protection are so far superior to those accruing to holders of trade secrets").
If trade secrets are property for the purposes of Fifth Amendment Takings Clause analysis, then copyrights and trademarks certainly are as well.\textsuperscript{61} In fact, the federal government exercises its eminent domain power over copyrights just as it does over real property.\textsuperscript{62} Although neither copyright nor trademark law provides the near-absolute exclusivity that patent protection does,\textsuperscript{63} they are both far more stable, certain, and property-like than trade secret law. An owner of a copyright presumptively is entitled to injunctive relief when someone makes an unauthorized reproduction of her work.\textsuperscript{64} A trademark owner presumptively is entitled to injunctive relief when someone uses her mark in a confusing manner.\textsuperscript{65} The owner of a trade secret, however, has no presumptive right to prevent a person from making use of her confidential information because information, in and of itself, has no

\textsuperscript{61} See Lane v. First Nat't Bank, 871 F.2d 166, 174 (1st Cir. 1989) (finding that when copyright "is taken for public use, a constitutional right to just compensation attaches"); Roth v. Pritikin, 710 F.2d 934, 939 (2d Cir. 1983) ("An interest in a copyright is a property right protected by the due process and just compensation clauses of the Constitution."); see also LAURENCE H. TRIBE, AMERICAN CONSTITUTIONAL LAW § 9-2, at 590-91 & n.11 (2d ed. 1988) (endorsing broad reading of Ruckelshaus).

\textsuperscript{62} See Zapruder's JFK Assassination Film in the Public Domain, PUB. DOMAIN REP., Feb. 1998, at 1 [hereinafter Zapruder's Film] (reporting that federal government has recently condemned Zapruder's famous film and paid compensation to his surviving heirs); see also 28 U.S.C. § 1498(b) (1994) (providing compensation for copyright owners whose works are infringed by federal government). Numerous cases note that the rationale behind a § 1498 recovery is eminent domain. See Motorola, Inc. v. United States, 729 F.2d 765, 768 (Fed. Cir. 1984); Tektronix, Inc. v. United States, 552 F.2d 343, 346 (Ct. Cl. 1977); Decca Ltd. v. United States, 544 F.2d 1070, 1082 (Ct. Cl. 1976).

\textsuperscript{63} Compare 15 U.S.C. § 1125 (1994) ("Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which — (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act."); and 17 U.S.C. § 106 (1994) (stating that "[s]ubject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize" reproduction of, preparation of derivative works of, performance of, and display of copyrighted work), with 35 U.S.C. § 271(a) (Supp. II 1996) ("[W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.").

\textsuperscript{64} See 17 U.S.C. § 502 (1994) (stating that court may grant temporary and final injunctions "to prevent or restrain infringement of a copyright").

\textsuperscript{65} See 15 U.S.C. § 1116 (1994) (stating that court may grant injunction "to prevent the violation of any right of the registrant of a mark").
owner. One can register one's ownership of a patent, copyright, or trademark in Washington, D.C. There is no similar registry of trade secret ownership nor could one exist. As noted above, the possessor of confidential information must prove that the information was secret and was improperly obtained by the user, almost always through the breach of a contract or trespass.

Another type of intellectual property, the publicity right, should also qualify as property for purposes of the Fifth Amendment. The right of an individual to exploit commercially her persona is not protected under federal law, but as with trade secrets, some states provide substantial legal protection. The Restatement (Third) of Unfair Competition, discussing the right of publicity immediately following its section on trade secrets, describes the parameters of such protection: "One who appropriates the commercial value of a person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade is subject to liability . . . ." Although protection of the right to publicity falls exclusively under state law, the Supreme Court has analogized the rationale behind the right of publicity to the purposes underlying federal patent and copyright law.

In Zacchini v. Scripps-Howard Broadcasting Co., a case involving publicity rights under Ohio law, the Court explained why federal law grants property rights to inventors and authors: "The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance the public welfare through the talents of authors and inventors in 'Science and the useful Arts.'"

The patent and copyright laws were "in-

67. See supra notes 40-44 and accompanying text.
68. See Roberta Rosenthal Kwali, Fame, 73 IND. L.J. 1, 35-47 (1997) [hereinafter Kwali, Fame] (concluding that publicity rights should be treated as property after exhaustive discussion of economics, natural law, Hegelian property theory, and analogies to other kinds of property).
69. See Dreyfuss & Kwali, supra note 19, at 547 (stating that about half of states have recognized right of publicity and that in at least fifteen of those states, legislation exists regarding this right).
tended definitely to grant valuable, enforceable rights." In determining that the First Amendment did not privilege a television station's unauthorized broadcast of a human cannonball act, the Court in Zacchini found that "[t]he Constitution does not prevent Ohio from making a similar choice here in deciding to protect the entertainer's incentive in order to encourage the production of this type of work." The Court considered publicity rights analogous in policy terms and in function to patents and copyrights, indicating that it also might be willing to treat them as property for purposes of the Fifth Amendment.

A brief trip to the local mall or a few minutes of viewing a television commercial provides ample evidence that merchants recognize the inherent value of the celebrity persona. Not surprisingly, publicity rights may be assigned and licensed, and in most jurisdictions they may be inherited. The protection provided to publicity rights by the law parallels that afforded to copyright owners. For example, injunctive relief is typically available to prevent an unauthorized use. As with copyright law, First Amendment considerations provide the most significant limit on the exclusivity of the owner's rights. Although no cases discuss the question, the right to exploit commercially one's persona would seem to be the sort of property that could be taken by a state under the Fifth Amendment.

Finally, because the abrogation provisions of the Lanham Act raise the issue, we must enquire whether the legal shield against false advertising may be considered a species of "property." Federal law affords protection to merchants from materially false statements made about their products, and


74. Id. at 577 (quoting Washingtonian Publ'g Co. v. Pearson, 306 U.S. 30, 36 (1939)).

75. Id.

76. See id. at 575-77 (noting that rationale for protecting publicity rights involves performer's economic incentive to perform, and economic considerations also underlay patent and copyright laws); see also Kwall, Right of Publicity, supra note 71, at 198 (discussing Zacchini).

77. For a comprehensive discussion of the value of the celebrity persona, see Kwall, Fame, supra note 68.

78. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. g (1995).

79. See id. § 46 cmt. h.

80. Id. § 48.

81. See id. § 47 (stating that "the use of a person's identity in news reporting, commentary, entertainment, works of fiction or nonfiction, or in advertising that is incidental to such uses" is not protected); 17 U.S.C. § 107 (1994) (stating that fair use of copyrighted work "for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright"). See generally Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 IND. L.J. 47 (1994) (discussing conflict between protecting right of publicity and First Amendment limitations on that protection).
from materially false statements made by competitors about the competitors’ own products. 82 A recent Third Circuit case found that the right to complain about a competitor’s false claim about its products "is not an intangible property right protected under the Fourteenth Amendment," 83 but reserved the question of whether the right to be free from false statements made about one’s own products might be properly characterized as protecting a type of business interest. 84

We believe the distinction suggested by the Third Circuit to be logical, although not because we think business reputation or good will are outside a plausible definition of property. Measurable damage to a company’s good will looks much like damage to a property interest. An illustration might help. A state might falsely assert that McDonald’s provides the hamburgers served in its school lunch program. This would constitute a public use of McDonald’s good will for the state’s benefit and under our analysis constitute a confiscation of McDonald’s property. The diminishment of that same good will, however, by false statements made by the state attorney general about the quality of McDonald’s products would not seem to be an appropriation of its property for public use. 85 Its claim should fail for that reason, not because reputation can never be property.

B. When Is Infringement of Intellectual Property a Fifth Amendment "Taking?"

Governments interfere with our property every day in innumerable ways. Some of these intrusions are compensable " takings," but the vast majority are not. Just because one’s property is adversely affected does not mean a compensable taking has occurred. One must not only prove that one has affected property, but that the governmental conduct constituted a compensable condemnation. In the intellectual property area, the Supreme Court has provided two guideposts, James v. Campbell and Ruckelshaus v. Monsanto Co., which hold respectively that the unauthorized use by the post office of a patented device 86 and the improper disclosure by the EPA of a trade

82. See 15 U.S.C. § 1125 (1994) (affording protection from those who "in commercial advertising or promotion, misrepresent[] the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities").


84. See id. at 362 (expressing "no opinion" about whether property rights protect one from misrepresentations made about one’s goods by competitor).

85. See infra notes 99-101 and accompanying text.

secret\textsuperscript{87} can constitute takings. In order to understand these cases and their implications for other government encroachments on intellectual property, it will be helpful to place them in the broader context of takings law.

The Supreme Court has divided the universe of takings cases into roughly two categories: possessory takings and regulatory takings.\textsuperscript{88} A government confiscation of property or a physical occupation of property is a "possessory" taking and constitutes the strongest sort of claim for compensation. The Court has articulated a per se rule requiring governmental entities to compensate the victims of confiscatory takings of real property, no matter how little damage was done.\textsuperscript{89} For example, the nonconsensual occupation of just over one cubic foot of real property constitutes a taking.\textsuperscript{90} The governmental appropriation of interest accruing in an interpleader account also constitutes a taking.\textsuperscript{91}

On the other hand, the law regarding regulatory takings is notoriously tortured.\textsuperscript{92} A "regulatory" taking occurs when a law, regulation, or ordinance "denies all economically viable use of property in a manner that interferes with reasonable expectations for use."\textsuperscript{93} For example, in \textit{Lucas v. South Carolina Coastal Council}\textsuperscript{94} the Court found that a zoning ordinance restricting all viable use of valuable beachfront property constituted a taking.\textsuperscript{95} The land, which was worth almost one million dollars before the ordinance, had been rendered worthless due to building restrictions on the site.\textsuperscript{96} Few cases, however, present such extreme facts, and few regulations effect compensable takings. Because virtually everything a government does affects the value of somebody’s property, the difficult question in cases of regulation has been: When has the regulation gone too far?

\textsuperscript{88} See CHEMERINSKY, supra note 15, §§ 8.4.2.1-8.4.2.2, at 506-19 (discussing possessory takings and regulatory takings in two separate sections).
\textsuperscript{89} See Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 441 (1982) (affirming rule that "a permanent physical occupation is a taking" and property owners have expectation of compensation).
\textsuperscript{90} See id. at 438 n.16 (noting that size of displaced property is not important to determining whether taking occurred).
\textsuperscript{92} See CHEMERINSKY, supra note 15, § 8.4.2.2, at 511 (noting that problem of when regulation becomes taking has "confounded courts and commentators").
\textsuperscript{93} Id. § 8.4.2.2, at 513.
\textsuperscript{94} 505 U.S. 1003 (1992).
\textsuperscript{96} See id. at 1006-09 (stating that Lucas had purchased land for $975,000 and was prohibited from developing it by South Carolina Beachfront Management Act).
Obviously, the classification of a given encroachment as "possessory" or "regulatory" has important implications for the outcome of a lawsuit, both in general and in the particular context of intellectual property. In general, courts apply the possessory rationale most consistently to situations in which the government wishes to make use of the owner's property, such as the temporary exploitation of an owner's business facilities, whereas courts apply the regulatory rationale most frequently when a statute, rule, or administrative action incidentally has negative effects on the owner's property.

The distinction between the two classes of cases is critical because in the regulatory context "the Court has not found a taking so long as the governmental regulation met a rational basis test and so long as the regulation did not prevent almost all economically viable use of the property." In the possessory or confiscatory context, however, even a small intrusion will constitute a taking. Also, the value of the property at issue need not be destroyed — mere diminishment of value is enough. As a result, if a city confiscates a dump truck for one day to haul rocks to a government work site, compensation must be paid. If, instead, the city passes a reasonable air pollution ordinance that costs the truck owner thousands in repairs, no compensation need be paid. Similarly, in the private intellectual property context, when unauthorized copies of registered blue prints for a new school are made and used by a city, compensation must be paid under the confiscatory rationale.

On the other hand, under the regulatory rationale, a city tax on photocopying that raises an architect's cost of making copies of and distributing his work would fail to constitute a taking.

The question is identifying which principle is applicable to government intrusions on intellectual property. Because intellectual property is intangible, it cannot, strictly speaking, be "possessed." At the same time,
not all encroachments on intellectual property are adequately conceived as "regulations." The Court's conventional categories are not altogether satisfactory for classifying government intrusions on intellectual property. 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.

Analogizing to the confiscation analysis better serves the aims of takings law in cases in which the government has appropriated the property to its own use, such as when a state official makes unauthorized copies of computer software rather than buying it or uses patented biotechnology without obtaining permission. Other variations of government conduct may look more like regulations. For example, governmental regulations do limit intellectual property rights in a variety of ways, such as by imposing limits on the exclusive use of trademarks, permitting "fair use" of copyrighted works, or by applying the antitrust laws to intellectual property. We do not dispute that a regulatory analysis is appropriate in a case in which a party challenges such rules, nor do we dispute that most of these regulations are valid.

Other cases raise more difficult problems. In Ruckelshaus, where the government revealed Monsanto's trade secret, the Court clearly found a "taking." In doing so, it relied on cases typically classified as possessory takings cases, but it applied a test derived from regulatory takings cases, focusing on whether Monsanto had a "reasonable investment-backed expecta-


107. See id. at 1005 (citing Kaiser Aetna v. United States, 444 U.S. 164, 179-80 (1979)) (stating that public access to private navigable waterway constituted taking); PruneYard Shopping Ctr. v. Robins, 447 U.S. 74, 88 (1980) (stating that public access to private shopping center did not constitute taking). Chemerinsky describes both as possessory takings cases. See CHEMERINSKY, supra note 15, § 8.4.2.1, at 506-09.

108. See Ruckelshaus, 467 U.S. at 1005 (identifying factors that should be taken into account when courts decide whether taking has occurred); see also Connolly v. Pension Benefit Guar. Corp., 475 U.S. 211, 225 (1986) (evaluating whether regulatory taking has occurred by weighing: "(1) 'the economic impact of the regulation on the claimant;' (2) 'the extent to which the regulation has interfered with distinct investment-backed expectations;' and (3) "the character of the governmental action"" (quoting Penn Cent. Transp. Co. v. New York City, 438 U.S. 104, 124 (1978))).
The regulatory focus was probably driven by the fact that the EPA made the damaging disclosure pursuant to amendments to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). The Court seemed to view the suit as a challenge to the regulatory interpretation of those amendments, rather than as an improper act by an agency employee. It concluded that Monsanto had a property interest in its trade secret, and that the business advantage protectable under trade secrecy law was destroyed by the EPA’s disclosure.  

One could quarrel with the regulatory analogy. Although Monsanto’s secret in *Ruckelshaus* was revealed, the EPA’s disclosure of Monsanto’s information did not prevent Monsanto from continuing to use the information in its business. The destruction of secrecy only rendered Monsanto unable to claim the additional remedies that it would have been able to assert under trade secret law. Monsanto became less able to protect its information, and the information became significantly less valuable once it was discovered by competitors. Of course, we have noted above that trade secret laws do not protect information itself, but rather merely augment pre-existing contract and tort remedies. Obviously, the disclosure did render the augmented remedies unavailable. Monsanto, however, characterized its damages as caused by the loss of its competitive edge. In any event, the EPA did not so much regulate Monsanto as confiscate its property and constructively dedicate it to the public domain.

Consider the consequences of a regulatory analysis in the use-of-intellectual-property context. Under a regulatory taking analysis, an appropriation of intellectual property would rarely amount to a taking because the owner will rarely lose all beneficial use of the property. Intellectual property is intangible, and therefore it is incapable of being physically possessed or taken away. Although the government can condemn a piece of intellectual property and take title to it or cast it into the public domain, the typical infringement does not divest the property owner of the use of his property.


110. See id. at 1012 (“The economic value of [Monsanto’s] property right lies in the competitive advantage over others that Monsanto enjoys by virtue of its exclusive access to the data, and disclosure or use by others of the data would destroy that competitive edge.”).

111. Although the federal copyright and patent laws provide for registration, registration documents are not certificates of title. Ownership does not arise from mere possession of a registration certificate.

112. See supra note 62 (discussing government’s taking of Zapruder’s film and placing it into public domain).

113. See Kwall, *The Sovereign’s Prerogative*, supra note 6, at 735-37 (noting that government takings can result in personal and professional harm to copyright proprietor, but often preserve owner’s overall use).
Even if a government is infringing a patent, copyright, or trademark, the owner may continue to exercise her rights against other infringers. In *Campbell*, for example, the post office's use of the patented stamping device did not prevent the patent owner from practicing the patent or suing other infringers. Regulatory takings doctrine provides little solace to owners of intellectual property, *Ruckelshaus* notwithstanding.

Whatever the merit of characterizing *Ruckelshaus* as a regulatory taking, it is both unwise and unnecessary to read *Ruckelshaus* as standing for a broad rule that government interference with intellectual property should always be evaluated under regulatory taking principles. The characterization made no difference in *Ruckelshaus*, because a taking could have been found under either a confiscatory or regulatory rationale. Moreover, the Court apparently did not consider this an important issue under the circumstances of the case.

The opinion simply treats the government's actions as a regulatory taking without explicitly considering whether the confiscatory analysis would have been more appropriate. For these reasons, *Ruckelshaus* provides dubious authority for the proposition that government use of intellectual property should generally be scrutinized under regulatory taking principles.

Moreover, *Ruckelshaus* does not expressly tell us how to treat cases in which governments actually use someone's intellectual property. In this situation, the principles developed in the context of confiscatory takings seem most relevant. In *Campbell*, which was decided in the era before the development of the regulatory takings doctrine, the Court analogized a case of federal patent infringement to the physical possession of real property, the paradigm confiscatory takings context. It had no difficulty finding that the post office's infringement of the owner's patented letter-stamping device constituted a taking. Because the taking was confiscatory, the fact that the patent was still economically viable did not defeat the claim, as it would

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115. See *Ruckelshaus* v. Monsanto Co., 467 U.S. 986, 1005 (1984) (stating factors courts should use in determining whether there has been taking without reference to either possessor or regulatory rationale).

116. See supra notes 107-11 and accompanying text (describing possessor takings cases cited in *Ruckelshaus* and how test developed in *Ruckelshaus* is same).

117. See generally Pennsylvania Coal Co. v. Mahon, 260 U.S. 393 (1922). *Mahon* is generally considered the first regulatory takings case.

118. See *Campbell*, 104 U.S. at 357-58 (stating that government cannot appropriate new invention without compensation "any more than it can appropriate or use without compensation land which has been patented to a private purchaser").

119. Id.

120. But see *Cross*, supra note 7, at 552-53 (arguing that device had no economical value except in hands of government). *Cross* cites no authority for this assumption. The invention
in the regulatory context. But the argument for applying the confiscatory standard to cases of governmental use does not rest solely, or even primarily, on the authority of *Campbell*. The premise behind the restrictive rules of regulatory takings doctrine is not applicable to most invasions of intellectual property. The reason it is hard to win a regulatory takings case is that the government's regulation typically has a legitimate aim independent of its impact on the value of the property, an aim the government is ordinarily free to pursue under the police power. These aims may be as diverse as environmental protection, preserving historic landmarks, and promoting general welfare. The resulting vulnerability to government intrusion is a regrettable but necessary implication of the exercise of government prerogatives. Courts quite properly hesitate before requiring the state to compensate the property owner just because achieving a valid regulatory aim has an effect on the use of his property. It is critical, therefore, to note that in most intellectual property cases the complained-of government action is not the exercise of the police power by the passage of a statute, regulation, or ordinance, nor the action of a zoning board; it is typically the appropriation of patented or copyrighted materials by bureaucrats or university professors for the state's own use.

Unlike the typical regulation, there is no good reason for the intrusion, other than a desire to exploit the property cheaply. When a biochemistry professor infringes a patent, or a secretary in a governmental agency makes an unauthorized copy of registered software, the government has exploited the property for its own purposes just as if it had temporarily borrowed a private car for public use. These actions do not look like regulatory takings, nor would allowing them to go forward advance the legislative prerogative underlying the narrow nature of the regulatory takings doctrine.

Finally, the central aim of takings law is to limit the government's power to isolate particular individuals for sacrifice to the general

\[\text{may well have had multiple uses other than canceling letters. The Court does not rely on the premise that only the government could use such a device.}\]


123. *See supra* note 122 (citing cases regarding varied aims of government takings).

124. *See* cases cited *supra* note 6.
good." That goal is directly and powerfully implicated in a case in which the government, without obtaining permission, makes use of intangible property that belongs to someone else. The intellectual property owner can be singled out by the state to bear a burden not shared by his fellow citizens. Unlike evenhanded regulation, which is presumptively valid, an appropriation looks more like a prohibited attempt to "forc[e] some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole." The fact that the target of the taking is intangible should not prevent it from being partially confiscated within the meaning of the takings doctrine. In fact, Congress seems to think that infringement of copyrights and patents constitutes a confiscation, and it has provided compensation for owners under 28 U.S.C. § 1498. Courts explaining the purpose behind § 1498 state that infringement constitutes "an eminent domain taking."

C. Remedial Aspects of the Fifth Amendment

The applicability of the Fifth Amendment means that just compensation will always be available for government appropriations of intellectual property that constitute takings, because that provision carves out an exception to otherwise applicable rules of sovereign immunity. Whatever may be true

125. TRIBE, supra note 61, § 9-6, at 605. For a discussion of the considerations of utility and fairness underlying this proposition, see Frank Michelman, Property, Utility, and Fairness: Comments on the Ethical Foundations of "Just Compensation" Law, 80 HARV. L. REV. 1165, 1214-24 (1968).

126. See Kwall, The Sovereign's Prerogative, supra note 6, at 694, 728 (noting that government has right to copy protected works, but must pay compensation). There is at least one case to the contrary. See Porter v. United States, 473 F.2d 1329, 1338 (5th Cir. 1973) (finding that copyright infringement by government not compensable taking under Tucker Act). In our view, Porter cannot survive Ruckelshaus. See Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1020 (1984) (finding that government disclosure of trade secret constitutes compensable taking under Tucker Act).


128. Note that in other contexts the intangibility of property rights does not impede their legal protection. Thus, for example, the Uniform Commercial Code categorizes patents, copyrights, and trademarks as "general intangibles," a long recognized category of personal property that can be bought and sold, and used as collateral under Article 9. See U.C.C. § 9-106 cmt. (1995) (listing property that can be used as commercial security). Moreover, the Supreme Court has extended constitutional protection to intangible personal property. See, e.g., Armstrong, 364 U.S. at 49 (stating that Fifth Amendment protects materialman's lien); Lynch v. United States, 292 U.S. 571, 579 (1934) (stating that contract rights are property protected by Fifth Amendment).

129. See Teletronix v. United States, 552 F.2d 343, 346 (Ct. Cl. 1977); Decca Ltd. v. United States, 544 F.2d 1070, 1082 (Ct. Cl. 1976).

130. See generally Kwall, The Sovereign's Prerogative, supra note 6.
of violations of other constitutional and statutory directives, the Supreme Court declared in *First English Evangelical Lutheran Church v. County of Los Angeles*\(^\text{131}\) that "in the event of a taking, the compensation remedy is required by the Constitution."\(^\text{132}\) Notwithstanding principles of sovereign immunity, the state and federal governments *must* provide remedies for takings of property.\(^\text{133}\)

In ordinary situations, governments themselves typically institute condemnation proceedings. This procedure has been used for appropriations of intellectual property as well.\(^\text{134}\) The difficult issues arise in situations in which a government simply uses or damages someone's property, without undertaking to condemn it first. In such circumstances, *First English* requires that the government submit to an inverse condemnation suit brought by the property owner to determine whether a taking occurred and the value of the property taken.\(^\text{135}\) It bears emphasizing that the sole remedy available in such a suit is the value of the property. A property owner normally cannot obtain injunctive relief as a matter of constitutional right.\(^\text{136}\)

Governments have the privilege of litigating these suits in their own courts. When the federal government is the target, the case may be brought in federal court under the Tucker Act\(^\text{137}\) or 28 U.S.C. § 1498. State governments must allow such suits to be brought against themselves and against local

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110 HARV. L. REV. 102, 125 & n.161 (1996) (stating that adequate relief required) *with* Vázquez, *supra* note 16, at 1770-73 (stating that remedy not required). This debate, however, is not directly relevant to the present inquiry. *First English* makes it clear that takings claims require a remedy, regardless of how the general issue is resolved.

134. *See Zapruder's Film, supra* note 62, at 1 (reporting that federal government has condemned Zapruder's famous film and paid compensation to his surviving heirs).

135. *See* *First English*, 482 U.S. at 315 (discussing right of landowner to bring inverse condemnation suit).

136. *See id.* at 321 (noting that compensation consists of value of property for period during which taking was effective).

137. 28 U.S.C. §§ 1346(a)(2), 1491 (1994) (defining jurisdiction of federal district court); *see* Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1016-19 (1984) (holding that adequate remedy for government taking of Monsanto's trade secret was available under Tucker Act and equitable relief was not available); *see also* *HART & WECHSLER, supra* note 133, at 1028-29 (discussing Tucker Act).
governments in their own courts.\textsuperscript{138} Otherwise, a federal suit under 42 U.S.C. § 1983 for deprivation of property without due process of law will be available against the local government or state officers responsible for the injury.\textsuperscript{139} Such suits are also available against officers who take property without authorization of the government for which they work. In a § 1983 suit, the remedies may be far broader than "just compensation."\textsuperscript{140}

\section*{II. Protection Beyond the Takings Clause: Legislation Abrogating Eleventh Amendment Immunity, Seminole Tribe, and City of Boerne}

In the eyes of intellectual property owners, the Takings Clause provides some, but hardly adequate, protection against government encroachments. Although compensation must be paid even when the damage done is min-

\begin{itemize}
\item \textsuperscript{138} See First English Evangelical Luth. Church v. County of L.A., 482 U.S. 304, 315-16 n.9 (1987) (discussing landowners' right to bring inverse condemnation actions); cf. HART \& WECHSLER, supra note 133, at 1054 (discussing argument over whether unconsenting states can be held liable in federal courts).
\item Professor Kwall suggests that 28 U.S.C. § 1338(a) would preclude state court jurisdiction over takings claims that involve copyrights. See Kwall, The Sovereign's Prerogative, supra note 6, at 764. We respectfully disagree. Section 1338(a) grants federal courts exclusive jurisdiction over suits "arising under" federal copyright law. 28 U.S.C. § 1338(a) (1994). A takings claim does not "arise under" federal copyright law, but rather is grounded in the Fifth Amendment itself.
\item Professor Kwall also argues that 17 U.S.C. § 301, which preempts state laws that provide protection "equivalent" to federal copyright law, preempts the application of state remedies for takings of copyrighted property. See Kwall, The Sovereign's Prerogative, supra note 6, at 764-65. Because a state is obligated by the Fourteenth Amendment to provide just compensation to property owners, we fail to see how Congress could relieve states of that obligation by statute. Section 301 preemption in this context appears to be unconstitutional. Congress could, because it has the power to create and define copyright protection, declare prospectively that copyrighted material can be used freely by the states. It has, however, done just the opposite. See supra notes 1-3.
\end{itemize}
imal, or the deprivation is temporary, the measure of compensation is primarily restitutional. In the intellectual property context, no more than a reasonable royalty is probably due the owner under the Fifth Amendment. This result is suggested by *Kimball Laundry Co. v. United States* in which the Court held that proper compensation for the temporary taking of a laundry business for military purposes was its rental value during the time of the taking, not the difference between the market value of the business before and after the taking.

The likely limitation of damages to a reasonable royalty helps explain why copyright and patent owners were not satisfied with the remedies available to them under the Fifth Amendment and fought to convince Congress that a direct action for infringement should be available against the states. In addition, under takings law, a prevailing plaintiff is not entitled to an injunction, nor can the plaintiff recover certain types of compensatory damages or trebled or punitive damages. By contrast, under federal patent, copyright, trademark, and false advertising law, an injunction is presumptively available, as are other sorts of enhanced remedies. Injunctions are also

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143. See Hughes Aircraft v. United States, 86 F.3d 1566, 1572 (Fed. Cir. 1996) (finding that reasonable royalty, not lost profits, is preferred measure of recovery in patent infringement suits against United States), vacated on other grounds, 117 S. Ct. 1466 (1997).

144. 338 U.S. 1 (1949).


146. See id. (denying recovery in takings case for difference between market value of laundry business before and after taking); United States v. General Motors Corp., 323 U.S. 373, 379 (1945) (denying recovery for "future loss of profits, ... the loss of good-will which inheres in the location of the land, or other like consequential losses which would ensue the sale of the property to someone other than the sovereign").

147. At any rate, we have found no authority for such a recovery, and the logic of takings law suggests that the property owner is entitled to compensation and nothing more. Cf. City of Newport v. Fact Concerts, Inc., 453 U.S. 247, 271 (1981) ("[C]onsiderations of history and policy do not support exposing a municipality to punitive damages for the bad-faith actions of its officials.").


149. See 15 U.S.C. § 1117(a) (1994) (court may award treble damages for trademark infringement); 17 U.S.C. § 504(c) (1994) (court may award statutory damages from $20,000 to $100,000); 35 U.S.C. § 284 (1994) (court may award treble damages for patent infringement).
available to plaintiffs under state trade secret and publicity rights law, and such plaintiffs can also recover punitive damages. An owner is substantially better off as the prevailing party in an infringement action than in a takings claim.

Another reason why plaintiffs would prefer to file suit under the federal intellectual property statutes is that although takings actions against state and local governments must be brought in state courts, federal court is available for patent, copyright, and trademark actions. For a variety of reasons, federal judges are likely to be more sympathetic than state courts to claims based on federal law. Federal judges enjoy life tenure and undiminishable salary, while many state judges must stand for election and generally depend upon state legislatures for their salaries. Federal courts maintain a strong tradition of vigilance in defense of federal rights. Talent probably plays a larger role in the selection of federal judges than in the selection of state judges. For all these reasons, the disparity between federal and state courts may make the difference between winning and losing in close cases on the facts or the law. Given that state court remedies were already available under the Takings Clause, this "substantive" theme may well have influenced Congress when it enacted the abrogating legislation.

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151. See Clark v. Bunker, 453 F.2d 1006, 1011-12 (9th Cir. 1972) (allowing punitive damage award for misappropriation of trade secrets); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 45 cmt. i (stating that successful plaintiff in action for appropriation of trade secret may recover punitive damages); see also Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1104-06 (9th Cir. 1992) (allowing punitive damage award for voice misappropriation); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 49 cmt. e (stating that punitive damages are available to plaintiffs in right of publicity actions).

152. See supra notes 146-51 and accompanying text.

153. See Neuborne, supra note 11, at 1127-28 (noting that federal district judges are appointed for life and state court judges are more vulnerable to political pressure).

154. See id. at 1124-25 (discussing psychological and attitudinal characteristics of state and federal judges).


157. See supra Part I (addressing relief available to intellectual property owners under Takings Clause).

Champions of intellectual property rights succeeded in securing enactment of abrogating legislation in the early 1990s, and the federal intellectual property statutes accorded them the sweeping remedies previously noted. Before the Supreme Court's ruling in *Seminole Tribe*, owners of intellectual property felt confident that the abrogating legislation was constitutional because the Court in *Pennsylvania v. Union Gas Co.* had broadly authorized Congressional abrogation of state immunity, so long as Congress clearly stated its intent. *Seminole Tribe* cast doubt on the legislation, for it substantially restricts Congress's abrogating power. At the same time, however, *Seminole Tribe* did not necessarily undercut the remedial scheme enacted in the early 1990s. *Seminole Tribe* held that Congress may not abrogate state Eleventh Amendment immunity when acting solely under its Article I powers, such as the power to regulate commerce among the states or the power to grant patents and copyrights. The Court, however, reaffirmed earlier cases ruling that Congress may abrogate immunity when acting under section 5 of the Fourteenth Amendment, which authorizes Congress to enforce the constitutional rights protected by that amendment. In 1997, the Supreme Court in *City of Boerne v. Flores* addressed the scope of congressional power under section 5 of the Fourteenth Amendment. This Part examines the impact of *Seminole Tribe* and *City of Boerne* on the abrogating legislation that purported to make state governments fully responsible for their appropriations of intellectual property. We argue that the abrogating legislation can largely, and perhaps entirely, survive the restrictive rule of *Seminole Tribe*.

159. See supra notes 1-4.
164. Id. at 59-62.
165. 117 S. Ct. 2157 (1997).
166. Our emphasis is on problems raised by Congress's effort to abrogate the states' sovereign immunity. This objection to the abrogation legislation should be distinguished from an objection based on the states' Tenth Amendment right to be free of certain types of substantive regulation. *See, e.g.*, Printz v. United States, 117 S. Ct. 2365, 2384 (1997) (finding that Congress may not oblige local sheriffs to perform background checks on gun permit applicants); New York v. United States, 505 U.S. 144, 188 (1992) (finding that Congress may not oblige states either to create toxic waste dump sites or take title to waste).

A Tenth Amendment attack on the abrogating legislation is bound to fail because that
A. What Is a "State?"

Before considering the impact of Seminole Tribe on intellectual property
rights, it is useful to delineate as precisely as possible the potential scope of
sovereign immunity. To say that the "states" may assert sovereign immunity
raises an important issue: What is a "state?" The Eleventh Amendment
presumptively divests a federal court of its power to hear the case not only
when a state itself is named as a defendant, but also when any "arm of the
state" is named as such. Accordingly, given the relevance of the question
whether state universities, which are frequent defendants in intellectual
property litigation, should be considered arms of the state, an appropriate
starting point for our inquiry into sovereign immunity is to define what is
meant by a "state" for the purposes of the doctrine of Eleventh Amendment
immunity.

A suit brought against the "State of Georgia" is, of course, a suit against
a state for the purposes of the Eleventh Amendment. A suit brought against
a statewide agency is also considered to be a suit against the state itself.167 A
suit against a county or city, however, is not considered to be a suit against the
state.168 Nor is a suit against a multistate regional agency considered to be a
suit against the state, when the states involved are not responsible for the
agency's debts.169 In general, the Court has indicated that "when the action is
in essence one for the recovery of money from the state, the state is the real,
substantial party in interest and is entitled to invoke its sovereign immunity
from suit."170

In its most recent decision on the issue, Regents of the University of
California v. Doe,171 the Court noted that determining whether an entity is an

amendment forecloses regulation only in circumstances in which Congress has singled out the
states. The Tenth Amendment does not bar Congress from applying laws of general applicabil-
stating that minimum wage and overtime laws are not "destructive of state sovereignty"). The
intellectual property laws covered by the abrogating legislation are also laws of general applica-
bility.

Illinois Department of Public Aid); Ford Motor Co. v. Department of Treasury, 323 U.S. 439
(1945) (involving suit against Indiana Department of Treasury).

(1977) (involving suit against county school board); Workman v. New York City, 179 U.S. 552
(1900) (involving suit against city).

involving suit against New York-New Jersey agency); Lake Country Estates, Inc. v. Tahoe


arm of the state involves an examination of the "relationship between the State and the entity in question."

The Court looked at "the essential nature and effect of the proceeding" and the "nature of the entity created by state law." In practice, this overall inquiry seems to focus primarily on whether the state would be obligated to satisfy a judgment rendered against the defendant entity. In *Regents v. Doe*, the Court considered a Ninth Circuit ruling that the Lawrence Livermore National Laboratory, operated by the Board of Regents of the California university system, was not entitled to Eleventh Amendment immunity from suit in federal court because the Department of Energy was contractually obligated to indemnify the laboratory if it were to lose a lawsuit. Because money was unlikely to flow from the state's coffers into the pocket of the defendant, the Ninth Circuit allowed the suit against the lab to proceed.

The Supreme Court reversed, holding that "it is the entity's potential legal liability, rather than its ability or inability to require a third party to reimburse it, or to discharge the liability in the first instance, that is relevant." Declining to address the ultimate issue of whether the laboratory was an arm of the state, the Court reversed on other grounds. Given the Ninth Circuit's prior acceptance of the position that the University of California system is generally an arm of the state, one would expect the cause of action against the laboratory to be dismissed.

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173. *Id.* (quoting *Ford Motor Co. v. Department of Treasury*, 323 U.S. 459, 464 (1945)).
175. See *id.* at 430 ("[T]he question whether a money judgment against a state instrumentality or official would be enforceable against the State is of considerable importance to any evaluation of the relationship between the State and the entity or individual being sued.").
176. See *id.* at 426-28 (describing Ninth Circuit ruling and question for Supreme Court review); see also *Doe v. Lawrence Livermore Nat'l Lab.*, 65 F.3d 771, 776 (9th Cir. 1995), *rev'd sub nom. Regents of the Univ. of Cal. v. Doe*, 519 U.S. 425 (1997).
177. See *Lawrence Livermore*, 65 F.3d at 774.
179. *Id.* at 431-32.
180. See *BV Eng'g v. UCLA*, 858 F.2d 1394, 1395 (9th Cir. 1988) (stating that University of California system is instrumentality of state). The Ninth Circuit applies a five-factor test to determine whether an entity is an arm of the state. The five factors are as follows:

1. whether a money judgment would be satisfied out of state funds,
2. whether the entity performs central governmental functions,
3. whether the entity may sue or be sued,
4. whether the entity has power to take property in its own name or only the name of the state, and
5. the corporate status of the entity.

*Lawrence Livermore*, 65 F.3d at 774-75.
The question of whether state universities are arms of the state for the purpose of establishing their Eleventh Amendment immunity from suit in federal court is especially important in the intellectual property context. A substantial portion of the nation's research and development in the fields of medicine, biotechnology, computer science, and engineering is conducted under the auspices of large public universities. In addition, universities typically photocopy large amounts of copyrighted materials in the everyday course of their business. They are likely defendants in any number of misappropriation suits. Although the Court has not answered this question definitively, the majority of lower courts that have addressed the question have assumed state universities to be arms of the state for the purpose of asserting Eleventh Amendment immunity. Putting aside until later the case of state officials sued in their official capacities, an entity that successfully proves it is an arm of the state presumptively is entitled to absolute immunity from suit in federal court, irrespective of the nature of the cause of action pleaded against it.

B. Seminole Tribe and the Revival of State Sovereign Immunity

Let us assume, then, that the defendant agency is indeed the "state." In 1992, Congress plainly and expressly abrogated state Eleventh Amendment immunity in cases of violations of federal patent, copyright, trademark, and false advertising law. Federal law is silent as to trade secrets and publicity


183. See supra note 6.


185. The Court will never imply abrogation. Congress must be absolutely clear when it intends to override the Eleventh Amendment. See Atascadero State Hosp. v. Scanlon, 473 U.S. 234, 243 (1985) (requiring "unmistakable language in the statute itself"). There is little doubt that Congress has spoken clearly as to patent, copyrights, and trademarks. See supra notes 1-3 (providing statutory language). All courts that have considered the question agree. See generally College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 131 F.3d 353 (3d
rights claims; therefore, a plaintiff must still bring those causes of action against a state exclusively in state court, if at all.186

Our inquiry will focus on the validity of Congress's abrogation of Eleventh Amendment immunity for patent, trademark, copyright, and false advertising claims. Some courts and commentators maintain that Seminole Tribe renders these statutes unconstitutional.187 To the contrary, we contend that under section 5 of the Fourteenth Amendment, Congress has the power to bring states within the jurisdiction of the federal courts in most cases involving appropriations of federally protected intellectual property.

In Seminole Tribe, the Supreme Court severely restricted Congress's power to abrogate state immunity from federal court suit. The issue in Seminole Tribe was whether Congress had acted constitutionally in depriving the states of immunity in certain actions brought under the Indian Gaming Regulatory Act.188 Striking down the legislation by a five-to-four vote, the Court overruled its previous holding in Pennsylvania v. Union Gas Co. that Congress could force states into federal court to comply with regulations it had

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186. Cf. Chavez, 59 F.3d at 547 (noting that plaintiff conceded that abrogation of immunity in copyright and trademark cases did not extend to publicity rights claim).

187. See Seminole Tribe of Fla. v. Florida, 517 U.S. 44, 77 (1996) (Stevens, J., dissenting) (stating that majority decision "prevents Congress from providing a federal forum for a broad range of actions against States, [including] those sounding in copyright and patent law"); Chavez v. Arte Publico Press, No. 93-2881, 1998 WL 685623, at *3 (5th Cir. Oct. 1, 1998) (holding legislation abrogating state sovereign immunity in copyright cases to be unconstitutional under Seminole Tribe); Gen-Probe, Inc. v. Amoco Corp., 926 F. Supp. 948, 954 n.6 (S.D. Cal. 1996) ("If the issue were whether the patent code abrogates the state's immunity, then Seminole Tribe would apply, and would probably compel the conclusion that the patent code cannot abrogate a state's Eleventh Amendment immunity."); Cross, supra note 7, at 523 (concluding that abrogating legislation "cannot be justified as exercises of Congress's Fourteenth Amendment power"); Williamson, supra note 7, at 1752 ("It's highly unlikely that Congress could remove the Copyright and Patent Acts from Seminole's reach .... insofar as they abrogate the sovereign immunity of states and state agencies, both Acts' sovereign immunity provisions are unconstitutional after Seminole .... ").

passed under its Commerce Clause powers. In fact, the Court went so far as to find that Congress lacked the power to abrogate state Eleventh Amendment immunity under any of its Article I powers, holding in particular that the Indian Commerce Clause could not be invoked by Congress. At the same time, the Court reaffirmed a twenty-year-old rule that state immunity from suit in federal court can be overridden when Congress acts pursuant to its powers under section 5 of the Fourteenth Amendment. 

Seminole Tribe, with its distinction between legislation enacted pursuant to Article I powers and section 5 legislation, turns on the Court's understanding of sovereign immunity. A narrow majority of the justices take the view that the immunity pre-dates the Eleventh Amendment. Relying on Hans v. Louisiana, they maintain that the immunity is of constitutional dimension and entered the Constitution when the document was ratified in 1788, at the same time as the Article I powers. The Eleventh Amendment itself is merely a surgical correction of a 1793 case, Chisholm v. Georgia, that erroneously denied a state's immunity claim against an out-of-state plaintiff. The constitutional status of the immunity shields the states from suits in federal court based on causes of action grounded in Article I legislation. Section 5 cases are different because the Fourteenth Amendment was not enacted until 1868 and represents a deliberate decision to restrict state prerogatives in ways that were not contemplated in 1788. In contrast to Congress's Article I powers, section 5 of the Fourteenth Amendment, which grants Congress the power to enforce the amendment's proscriptions "by appropriate legislation," does authorize Congress to abrogate state immunity. The Fourteenth Amendment was meant to "fundamentally alter[ ] the balance of

189. Seminole Tribe, 517 U.S. at 66.
190. Id. at 72-73.
191. See U.S. Const. art. I, § 8, cl. 3 (stating that Congress has power to regulate commerce "with the Indian Tribes").
192. Seminole Tribe, 517 U.S. at 47.
193. Id. at 59-60; see U.S. Const. amend. XIV, § 1 (stating that state may not "deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws"); id. § 5 ("The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.").
194. 134 U.S. 1 (1890).
196. 2 U.S. (2 Dall.) 419 (1793).
197. See Hart & Wechsler, supra note 133, at 1047 (discussing Chisholm). In the view reflected in Hans and Seminole Tribe, this circumstance explains the narrow wording of the Eleventh Amendment, which by its terms only protects states against suits by "Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI.
state and federal power struck by the Constitution and therefore overrides the Eleventh Amendment.

Of course, not everyone agrees with this account of sovereign immunity and the Eleventh Amendment. Contrary views that recognize broader Congressional power have won strong support with the Supreme Court and in the academic literature. Four justices dissented in Seminole Tribe. Just seven years earlier, the Court in Union Gas held, again by a five-to-four margin, that Congress may abrogate state sovereign immunity when acting under Article I powers. The weight of scholarly opinion, for whatever it may be worth, is on the side of the Seminole Tribe dissenters. Our project, however, is to examine the current state of the law as it relates to intellectual property, not to enter into the debate over the accuracy of Seminole Tribe. We take the decision as a given while noting that it may not be the last word in the area. In addition, as we conclude that the legislation abrogating state sovereign immunity in patent, copyright, and trademark cases is authorized by the Fourteenth Amendment, the somewhat shaky foundation of Seminole Tribe does not threaten the constitutionality of that legislation. The holding of Seminole Tribe is clear: Congress may only abrogate states' Eleventh Amendment immunity when it properly enforces rights guaranteed by the Fourteenth Amendment. It follows that the scope of Congressional power under section 5 of the Fourteenth Amendment is a key to determining whether Congress acted constitutionally in abrogating Eleventh Amendment immunity in patent, copyright, and trademark cases.

C. City of Boerne and the Abrogation Statutes: The Scope of Congressional Authority Under Section 5 of the Fourteenth Amendment

The Supreme Court has recently cleared up much of the confusion surrounding the meaning of the section 5 enforcement provision of the Fourteenth Amendment. It held in City of Boerne v. Flores that section 5 was

200. See id. at 76, 100 (identifying dissenting justices).
202. See Meltzer, supra note 160, at 7-13 (discussing scholarly debate over Eleventh Amendment and state sovereign immunity).
203. Seminole Tribe of Fla. v. Florida, 517 U.S. 44, 59 (1996); see U.S. CONST. amend. XIV, § 1 (stating that state may not "deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws"); id. § 5 ("The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.").
a purely remedial provision. In other words, Congress can combat pre-existing constitutional violations under section 5, but may not expand the substantive protections provided by a particular provision of the Bill of Rights, as interpreted by the Supreme Court.

In City of Boerne, the Court considered the constitutionality of the Religious Freedom Restoration Act (RFRA), legislation specifically passed to overturn the Court's opinion in Employment Division v. Smith. Smith held that the First Amendment right to free exercise of religion was not violated by "generally applicable prohibitions of socially harmful conduct." Although neutral laws passed with an antireligion motivation may still be declared unconstitutional, the decision made it impossible to challenge a neutral, generally applicable law on the grounds that it merely burdened the free exercise of religion. In response, Congress passed RFRA, mandating the application of a balancing test in cases involving challenges to state laws that burden religion. Under RFRA, governments at all levels were forbidden from placing "substantial burden[s]" on a person's exercise of religion, even if the burden resulted from a rule of general applicability, unless the government could demonstrate both a "compelling governmental interest" in its law and that the regulation was the "least restrictive means of furthering that compelling governmental interest."

A powerful attack on RFRA was mounted by the city of Boerne, Texas, in defense of its historic preservation ordinance after the city had denied the application of a local historic church to expand its facilities. When the city refused the permit, the church sued, arguing that under RFRA it did not have to comply with the ordinance. The church's claim under the RFRA balancing test was quite strong. Without the needed renovations, some forty to sixty parishioners were being turned away from some Sunday masses. To justify

205. Id. at 2172.
209. In framing RFRA, Congress was influenced by Sherbert v. Verner, an earlier Supreme Court case. See Sherbert v. Verner, 374 U.S. 398, 409-10 (1963) (holding that in absence of compelling governmental interest, state may not punish individual who does not obey law that substantially burdens his free exercise rights).
212. Id.
213. Id.
this clear burden on religion, the city could not have asserted a public health or safety rationale, but rather would have been forced to argue that its aesthetic interests were compelling. Not surprisingly, it argued primarily that the power to enact RFRA itself was beyond the powers delegated to Congress by the Constitution.\footnote{214}

The church, supported by the Solicitor General’s office, sought to justify RFRA as a proper exercise of Congress’s powers under section 5 of the Fourteenth Amendment.\footnote{215} The Court agreed that Congress can properly legislate against practices that violate rights protected by the First Amendment.\footnote{216} It reaffirmed that under \textit{Smith}, however, the enforcement of a generally applicable historic preservation ordinance against a church almost certainly did not violate the First Amendment.\footnote{217} The Court reserved for itself the ultimate right to define what constituted a violation of a constitutional right.\footnote{218} Congress could not overrule \textit{Smith} by statute.

The Court grounded its holding, in part, in the legislative history of the Fourteenth Amendment.\footnote{219} The framers of the Fourteenth Amendment had deliberately rejected an alternative formulation of the amendment, drafted by Congressman Bingham, that would have given Congress the power to define constitutional protections.\footnote{220} The framers rejected it because it "would [have] give[n] Congress a power to intrude into traditional areas of state responsibility, a power inconsistent with the federal design central to the Constitution."\footnote{221} Accordingly, a new draft was prepared, under which "Congress’[s] power was no longer plenary but remedial. Congress was granted the power to make the substantive constitutional prohibitions against the States effective."\footnote{222} In this form, the amendment was ratified.

\begin{itemize}
\item \footnote{214} \textit{Id.}
\item \footnote{215} \textit{Id.} at 2162-63.
\item \footnote{216} \textit{Id.} at 2163-64.
\item \footnote{217} \textit{Id.} at 2161.
\item \footnote{218} \textit{Id.} ("Legislation which alters the meaning of the Free Exercise Clause cannot be said to be enforcing the Clause. Congress does not enforce a constitutional right by changing what it is.").
\item \footnote{219} \textit{Id.} at 2164-66.
\item \footnote{220} \textit{See id.} at 2164. That version stated: The Congress shall have power to make all laws which shall be necessary and proper to secure to the citizens of each State all privileges and immunities of citizens in the several States, and to all persons in the several States equal protection in the rights of life, liberty, and property.
\item \textit{Id.} (citing \textit{CONG. GLOBE}, 39th Cong., 1st Sess. 1034 (1866)).
\item \footnote{221} \textit{Id.}
\item \footnote{222} \textit{Id.} at 2165.
\end{itemize}
Apart from this federalism argument, the Court in City of Boerne noted that opponents of the Bingham draft invoked another structural principle of constitutional government: the separation of powers among the branches of the national government. The Court recognized that "[t]he first eight amendments to the Constitution set forth self-executing prohibitions on governmental action, and this Court has had primary authority to interpret those prohibitions." A problem with the initial draft was that it "departed from that tradition by vesting in Congress primary power to interpret and elaborate on the meaning of the new Amendment through legislation." In the later, successful draft, "the Fourteenth Amendment confers substantive rights against the States which, like the provisions of the Bill of Rights, are self-executing. The power to interpret the constitution in a case or controversy remains in the judiciary."

The distinction between the "remedial and preventive" legislation authorized by section 5 and legislation that defines constitutional rights, which is forbidden, will sometimes be hard to apply. The Court in City of Boerne devoted several pages to distinguishing RFRA from 1960s voting rights legislation that forbids certain practices, such as literacy tests, that the Court had earlier found constitutional. "Preventive rules" like those found in the voting rights legislation, are "appropriate remedial measures" under section 5 only when there is "a congruence between the means used and the ends to be achieved." The Court recognized that "[s]trong measures appropriate to address one harm may be an unwarranted response to another, lesser one." In the voting rights context, the legislation addressed "widespread and persisting deprivation of constitutional rights resulting from this country’s history of racial discrimination." By contrast, "RFRA’s legislative record lack[ed] examples of modern instances of generally applicable laws passed because of religious bigotry."

Although the City of Boerne distinction between remedial and definitional legislation may sometimes be hard to draw, its application to the recent
statutes abrogating immunity for copyright, patent, and trademark infringements is straightforward. Unlike RFRA, the abrogating statutes do not define rights. These statutes merely provide effective remedies for violations of the intellectual property statutes by removing a barrier that may otherwise stand in the way of relief. Like the abrogation of state immunity from federal sex discrimination suits upheld by the Supreme Court in Fitzpatrick v. Bitzer, Congress's abrogation in the intellectual property context has merely provided remedies against the states for pre-existing wrongs of constitutional dimension.

Seminole Tribe, of course, requires that the wrong remedied by Congress be a violation of the Fourteenth Amendment. We have provided the main reason why the abrogating legislation is designed to remedy a Fourteenth Amendment wrong: Virtually all state infringements of patents, copyrights, and trademarks without payment of just compensation are violations of the Takings Clause of the Fifth Amendment. The Fifth Amendment was the first section of the Bill of Rights to be incorporated into the Fourteenth Amendment. In other words, to the extent that Congress provides a remedy for an uncompensated taking of property by a state, it addresses a violation of the Fourteenth Amendment, a response that is presumptively authorized by section 5 and City of Boerne. We have shown in Part I that the interests delineated by the intellectual property statutes are constitutionally protected property. Insofar as the question of the availability of suit under the copyright, patent, and trademark statutes is whether Congressional power is exercised under section 5 of the Fourteenth Amendment, we are confident that the abrogating legislation passes muster.

As we discussed in Part I, acts of infringement by a state government are best analogized to partial confiscations of property. Confiscation by the state is a per se taking of property under the Fifth and Fourteenth Amendments. The abrogating legislation is only directed at acts of infringement committed

233. See supra Part I.
234. See supra note 15.
235. See supra Part I. The congruence between violations of the intellectual property statutes and violations of property rights may not be complete. On the facts of a given case, a particular infringement may not rise to the level of an unconstitutional interference with property rights. See, e.g., College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 131 F.3d 353, 359-60 (3d Cir. 1997) (stating that abrogation of state immunity in some types of false advertising suits does not remedy constitutional deprivation of property, and therefore is not valid), petition for cert. filed, 67 U.S.L.W. 3084 (U.S. July 17, 1998) (No. 98-149). Such a case would present the question of whether allowing the suit to proceed would nevertheless serve the goal of effectively remediying constitutional violations. As City of Boerne's distinction between RFRA and voting rights legislation indicates, the answer may turn on the facts of particular cases.
by states. It does not render states generally liable if they pass statutes and regulations that may negatively affect the value of intellectual property. Such regulations would seldom constitute a taking. In other words, the fit between the remedy (abrogation) and the constitutional wrong (taking by infringement) is close enough to satisfy the *City of Boerne* test.

Two further aspects of the section 5 issue need to be addressed. The abrogating statutes permit injunctive relief against state governments, as well as extra-compensatory damages. Neither of these forms of relief may be obtained as a matter of constitutional right in a suit for a "taking" of property. Assuming that Congress may grant federal courts jurisdiction over claims that state governments have unlawfully intruded on interests in intellectual property, does it follow that Congress may authorize, consistent with the limits on its section 5 power, remedies that are not available in the state courts?

We believe the provisions for injunctions and extra-compensatory damages are well within Congress's section 5 authority. *City of Boerne* distinguishes between legislation that defines the scope of constitutional protection and legislation that provides remedies for violations of rights recognized by the courts. The abrogating statutes do not define constitutionally protected "property," but only provide remedies deemed by Congress to be necessary to the effective enforcement of intellectual property rights. In fact, the remedies for injunctive relief available under federal intellectual property laws may not typically go beyond the remedies available to the victims of violations of the Takings Clause. Case law seems to provide for a grant of injunctive relief to the victim whose property is taken by a state official in the course of her duties who is not authorized under state law to condemn the property. In other words, when the official confiscating the property is a professor or bureaucrat, injunctive relief is probably already available. We assume, of course, that the proper state authority could later ratify the rogue official's action and offer to pay just compensation for any future use of the property. Nothing in the abrogating legislation of the intellectual property law should be interpreted as ultimately preventing a state from properly exercising its constitutional power to take property for public use.

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236. *See* Larson v. Domestic & Foreign Commerce Corp., 337 U.S. 682, 698-99 & n.21 (1949). The court stated that specific relief in connection with property held or injured by officers of the sovereign in the name of the sovereign has been granted only where there was a claim that the taking of property or the injury to it was not the action of the sovereign because unconstitutional or beyond the officers statutory powers . . . . *Id.; cf.* Ruckelshaus v. Monsanto Co., 467 U.S. 986, 1016 (1984) ("Equitable relief is not available to enjoin an alleged taking of private property for public use, *duly authorized by law*, when a suit for compensation can be brought against the sovereign for the taking.") (emphasis added).

237. We doubt, however, that a state could entirely condemn a copyright, patent, or
The Court in *City of Boerne* stressed that the courts have, ever since *Marbury v. Madison*,238 had the final say in determining the content of constitutional rights.239 An equally time-honored tradition is Congress's role in authorizing remedies for constitutional violations. Although the courts should participate in this effort as well, the Supreme Court has recognized that the primary responsibility for making constitutional remedies belongs to Congress.240 We know of no case in which the Court has invalidated a Congressional remedy for constitutional violations on the ground that Congress accorded greater protection than the Constitution requires.

Finally, an objection might be raised that the abrogating statutes authorize a suit against the state before a constitutional violation has occurred because a violation of the Takings Clause is typically not complete until the state refuses to pay compensation. In other words, the statute might be seen as sanctioning primarily constitutional conduct, in violation of the principle stated in *City of Boerne*, insofar as it does not require plaintiffs to exhaust their state remedies first. In response, we note, as we did above, that the vast majority of the infringements we describe are perpetrated by state officials who lack statutory authority to exercise their state's power of eminent domain. In those situations, case law indicates that the cause of action for relief arises immediately.241 In other words, we believe the "fit" required by *City of Boerne* is still quite tight if we are right that the typical infringement resembles an inverse condemnation of property by an official without eminent domain authority, as opposed to a proper exercise of the state's constitutional right to offer reasonable compensation for the public use of a private citizen's property.

### D. Two Post-Seminole Tribe Decisions

The only two courts to have considered the constitutionality of legislation abrogating state sovereign immunity in cases involving federal intellectual property have come to opposite conclusions.

238. 5 U.S. (1 Cranch) 137 (1803).


241. *See First English Evangelical Luth. Church v. County of L.A.*, 482 U.S. 304, 316 (1987); supra text accompanying notes 134-36. Of course, the case may not yet be ripe for adjudication in federal court. *See Williamson County Reg'l Planning Comm'n v. Hamilton Bank*, 473 U.S. 172, 186 (1985) (stating that due process claim based on illegal taking theory not ripe until inverse condemnation action brought by victim against state). The abrogation statute can be seen as bypassing any ripeness objection, something Congress can do as long as the state remedy exhaustion requirement is not of constitutional dimension. For a discussion of why it is not, see infra text accompanying notes 373-78.
In College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board, the Federal Circuit found that "[i]n subjecting the states to suit in federal court for patent infringement, Congress sought to prevent states from depriving patent owners of their property without due process through infringing acts." After discussing Seminole Tribe and City of Boerne, it concluded that abrogation "comport [ed] with the text and judicial interpretations of the Fourteenth Amendment." Although its treatment of the jurisdictional precedent is convincing, the court did little to prove its conclusion that the state's action constituted a taking of property apart from citing older case law that characterizes a patent as "property." In other words, it did not engage in any detailed analysis of whether an infringement constitutes an unconstitutional taking of that property, which, as we have seen, is the more difficult question.

In Chavez v. Arte Publico Press, the Fifth Circuit took a different approach and held in a confusing opinion that a claim for copyright infringement could not constitutionally be brought against a state after Seminole Tribe. The opinion does not seem to deny that a copyright is "property," citing Ruckelshaus and finding that "[b]y analogy, copyrights constitute intangible property that, for some purposes at least, receives constitutional protection." The court did not, however, proceed to decide the question of whether the state's conduct effects a confiscatory or regulatory taking. Instead, it noted that in addition to allegedly infringing the plaintiff's copyright, the state also breached its contract with the plaintiff, suggesting erroneously that the existence of a breach of contract claim somehow bars the bringing of the copyright claim. Because a breach of contract does not constitute a violation of due process, according to the court, no constitutional violation existed and the abrogating statute must be seen as expanding the substantive rights of copyright owners rather than merely providing a remedy for a pre-existing constitutional violation. This doomed the statute under the "logic of City of Boerne," according to the court.

242. 148 F.3d 1343 (Fed. Cir. 1998).
244. Id.
245. 139 F.3d 504 (5th Cir. 1998).
247. Id. This claim is especially bizarre given that the state law claim may well be preempted by federal copyright law. See National Car Rental Sys., Inc. v Computer Assoc. Int'l, Inc., 991 F.2d 426, 428 (8th Cir. 1993).
The *Chavez* court’s claim that the occasional existence of a breach of contract claim against a state dooms the abrogation legislation was not persuasive. The existence of a parallel state remedy does not mean that the constitutional violation is somehow nullified.\textsuperscript{249} Take for example the Supreme Court’s holding in *Fitzpatrick v. Bitzer*, reaffirmed in *Seminole Tribe*, that Congress properly abrogated state sovereign immunity in Title VII sex discrimination cases brought against the states.\textsuperscript{250} In many cases of sex discrimination in employment, the state has not only violated the employee’s right to equal protection under the Fourteenth Amendment, but also the plaintiff’s private contractual rights (for example, the implied covenant of good faith and fair dealing) and local antidiscrimination regulations. The existence of potential state remedies does not render the abrogation legislation blessed in *Fitzpatrick* somehow suspect. To the extent that the facts underlying many, if not most, constitutional violations provide a basis for bringing a state law cause of action, the Fifth Circuit’s position means that Congress can seldom, if ever, abrogate state sovereign immunity after *Seminole Tribe* and *City of Boerne*. Although some states’ rights advocates may prefer such an outcome, it runs directly contrary to the express holding of *Fitzpatrick* and *Seminole Tribe* itself.

One final argument raised by the Fifth Circuit merits consideration. The court worried that upholding the plaintiff’s claim would allow Congress to make an end run around *Seminole Tribe* by declaring something to be "property" under its Article I powers and then declaring it protected against state encroachment under section 5 of the Fourteenth Amendment. It asserts that "Congress could easily legislate ‘property’ interests and then attempt to subject states to suit in federal court for the violation of such interests."\textsuperscript{251} This argument, if persuasive, would reduce the significance of *Ruckelshaus*, given that the property right protected in that case was created by a state and not by Congress.

The most powerful response we can offer is that under *City of Boerne*, Congress does not have the power to define what constitutes a violation of an individual’s constitutional rights. The Supreme Court made clear that Congress does not have the power to declare something a constitutional violation and willy-nilly provide a remedy. It is up to the courts to decide whether a state law or an act of Congress establishes a right that may be characterized as property under the Fifth and Fourteenth Amendments and whether that right has been unconstitutionally burdened. The Court has frequently denied

\textsuperscript{249} See Home Tel. & Tel. Co. v. City of L.A., 227 U.S. 278, 287-88 (1913) (explaining that existence of constitutional violation does not turn on whether state remedies are available).


\textsuperscript{251} Id. at 511.
plaintiffs' claims that a law establishes a right that is constitutionally protected. The fact that sometimes Congress has the power to create something that looks like property (for example, a copyright or a patent) does not mean that it has plenary power to declare all interferences with property rights to be a violation of the Fourteenth Amendment.

E. Does the Subjective Intent of Congress Matter?
The Curious Case of Bankruptcy

Although College Savings Bank and Chavez are the only cases to squarely address the question of the propriety of Congress's abrogation of Eleventh Amendment immunity in patent, copyright, and trademark cases, several federal appellate courts have examined a similar amendment to the Bankruptcy Act. Both the Fourth and Fifth Circuits have held that Congress's abrogation of state Eleventh Amendment immunity in bankruptcy cases was ineffective. These cases are relevant because, as Justice Stevens recognized in his dissent in Seminole Tribe, abrogation in the intellectual property and bankruptcy contexts probably raises similar issues.

At first glance, the bankruptcy decisions in the Fourth and Fifth Circuits may seem odd. After all, much of bankruptcy law is concerned with protecting the property interests of creditors. In situations in which a state has unconstitutionally taken property from a creditor without paying just compensation or has deprived a creditor of its property without due process of law, Congress should have the power under section 5 of the Fourteenth Amendment to enact legislation to protect the creditor. Imagine a situation in which a creditor properly perfects a security interest in the debtor's farm equipment in State A, but just before the debtor declares bankruptcy, State A's tax bureau seizes the farm equipment pursuant to a subsequently filed tax lien. Under both state and federal law, the creditor has the superior interest in the property. In other words, the state's seizure of the property is wrongful and is

252. See 11 U.S.C. § 106(a)(1994) ("Notwithstanding an assertion of sovereign immunity, sovereign immunity is abrogated as to a governmental unit to the extent set forth in this section with respect to the following [sections]."); id. § 106(a)(3) ("The court may issue against a governmental unit an order, process, or judgment under such sections or the Federal Rules of Bankruptcy Procedure, including an order or judgment awarding a money recovery, but not including an award of punitive damages.").

253. See generally In re Estate of Fernandez, 123 F.3d 241 (5th Cir. 1997); In re Creative Goldsmiths of Wash., D.C., Inc., 119 F.3d 1140 (4th Cir. 1997), cert. denied, 118 S. Ct. 1517 (1998).

254. Seminole Tribe of Fla. v. Florida, 517 U.S. 44, 77 n.2 (1996) (Stevens, J., dissenting) (stating that majority decision "suggests that persons harmed by state violations of federal copyright, bankruptcy, and antitrust laws have no remedy").

255. See U.C.C. § 9-301(1)(b) (1995) (stating that security interest takes priority over
properly characterized as a deprivation of property without due process of law.\textsuperscript{256} Under City of Boerne, Congress would have the power under section 5 of the Fourteenth Amendment to provide such a creditor with an appropriate remedy in federal court.

Neither the Fourth nor the Fifth Circuits considered the possibility that the abrogation of immunity in § 106 of the Bankruptcy Act remedies unconstitutional deprivations of property. Rather, in a bizarre analytical turn, both courts focused on Congress's subjective intent in passing § 106. Although the Bankruptcy Reform Act was passed in 1994, in the era before Seminole Tribe when Congress naturally presumed it could rely on the Commerce Clause or the Bankruptcy Clause to abrogate state sovereign immunity,\textsuperscript{257} the Fourth Circuit in In re Creative Goldsmiths of Washington, D.C., Inc.,\textsuperscript{258} seemed surprised that "there is no evidence to indicate that in enacting the Bankruptcy Reform Act of 1994, Congress acted under section 5 of the Fourteenth Amendment."\textsuperscript{259} It found that Congress acted under its Article I powers and rejected the plaintiff's "reliance on [section] 5 of the Fourteenth Amendment as a post hoc justification for Congress's attempted abrogation in 11 U.S.C. § 106."\textsuperscript{260} The court refused to "presume that Congress intended to enact a law under a general Fourteenth Amendment power to remedy an unspecified violation of rights when a specific, substantive Article I power clearly enabled the law."\textsuperscript{261} We note here that Congress referenced section 5 of the Fourteenth Amendment in the legislative history behind the statute abrogating state sovereign immunity in patent and trademark cases, but not in copyright cases.\textsuperscript{262}

Similarly, the Fifth Circuit did not consider the extent to which § 106 might remedy unconstitutional deprivations of property by the states. The
decision in *In re Estate of Fernandez*263 is driven by the conclusion that "[t]here is no evidence that the 1994 Act was passed pursuant to the Fourteenth Amendment."n264 What neither court realized is that the Supreme Court has "never require[d] a legislature to articulate its reasons for enacting a statute."n265 The validity of a statute does not rise or fall on the existence of a House or Senate committee report that suggests congressional reliance on a particular section of the Constitution. Every Supreme Court opinion that has addressed the subject266 makes it clear that the constitutionality of a statute does not depend on whether Congress used the magic words "Fourteenth Amendment" in the legislative history.267 Recent appellate court cases agree.268

The inquiry into the constitutionality of legislation is properly focused on one question: Does the Constitution authorize the legislation at issue? *McCulloch v. Maryland*269 provides the enduring paradigm of how the Court approached the question of whether Congress has the power to enact a particular piece of legislation. The focus is on the Constitution and whether its ratifiers intended Congress to have the power to act. We know of no Supreme Court case that suggests that an otherwise properly authorized act of Congress is invalid because Congress invoked an inappropriate section of the Constitution or none at all.

263. 123 F.3d 241 (5th Cir. 1997).
264. *In re Estate of Fernandez*, 123 F.3d 241, 245 (5th Cir. 1997).
265. FCC v. Beach Communications, Inc., 508 U.S. 307, 315 (1993); see Ramirez v. Puerto Rico Fire Serv., 715 F.2d 694, 698 (1st Cir. 1983) ("The omission of any ritualistic incantation of powers by the Congress is not determinative, for there is no requirement that the statute incorporate buzz words such as 'Fourteenth Amendment' or 'section 5'.")
266. See Woods v. Cloyd W. Miller Co., 333 U.S. 138, 144 (1948) ("[T]he constitutionality of action taken by Congress does not depend on recitals of the power which it undertakes to exercise.").
268. See Ussery v. Louisiana, 150 F.3d 431, 436 (5th Cir. 1998) ("Seminole Tribe 'requires us to make an objective inquiry, namely whether Congress could have enacted the legislation at issue ....'" (quoting Crawford v. Davis, 109 F.3d 1281, 1283 (8th Cir. 1997))); Wheeling & Lake Erie Ry. Co. v. Public Util. Comm'n of Pa., 141 F.3d 88, 92 (3d Cir. 1998) ("[W]hen determining the sources of Congress's authority to legislate, we may look beyond the expressed constitutional basis in a statute's preamble or legislative history.").
269. 17 U.S. (4 Wheat.) 316 (1819) (finding that Congress has implied Article I power to establish Bank of the United States).
Nonetheless, the end result reached by the Fourth and Fifth Circuits on the abrogation issue in the bankruptcy context is probably correct. Although § 106 provides a federal forum for some unconstitutional deprivations of property, as in the hypothetical posed above, it casts its net far too broadly, making states amenable to federal jurisdiction in a wide variety of contexts in which a state's behavior is constitutional. Under City of Boerne, Congress can only legislate pursuant to section 5 of the Fourteenth Amendment in order to remedy a preexisting violation of the rights secured by section 1 of the Fourteenth Amendment. Although the Court will tolerate a remedy that is slightly overbroad, the opinion in City of Boerne requires a "congruence" between the unconstitutional wrong targeted by Congress and the means chosen. The Court therefore held that the Religious Freedom Restoration Act was unconstitutional because most of the conduct it prohibited was constitutional.

Section 106 of the Bankruptcy Amendments of 1994 is similarly defective. One can imagine numerous scenarios in which § 106 forces states that have not committed any violations of the Fourteenth Amendment into federal court. For example, § 106 expressly abrogates state sovereign immunity as to 11 U.S.C. § 362, which provides for an automatic stay against creditors of the debtor at the moment the debtor files his bankruptcy petition. Case law holds that sending a letter to the debtor demanding payment constitutes a violation of the stay. Therefore, under §§ 106 and 362, a state agency that sends such a letter to the debtor could theoretically be dragged into federal court, although it is clear that such letter writing is not a violation of the Fourteenth Amendment.

Consider a further illustration. In In re Creative Goldsmiths, the trustee in bankruptcy sought to recover a payment of $4382 in income taxes paid to the Maryland Comptroller of Currency during the ninety-day preference period before the debtor filed for bankruptcy. Again, this scenario does not present unconstitutional behavior on the part of the State of Maryland; all Maryland did was accept money that it was legally owed. We cannot find a decision suggesting that a state's failure to return money rightfully owed to it constitutes a violation of the Fourteenth Amendment. Although § 106 may sometimes afford a remedy for an unconstitutional deprivation of property by

270. See supra notes 216-18 and accompanying text.
271. See City of Boerne v. Flores, 117 S. Ct. 2157, 2167 (1997) (noting that ban on literacy tests by Voting Rights Act prohibited some constitutional uses of tests, but evidence showed primary use of tests was discriminatory).
272. Id. at 2171-72.
In the final analysis, the fit between means and end in § 106 is unconstitutionally disproportionate under City of Boerne. We have already suggested that the congruence between remedy and wrong in the context of the abrogations of Eleventh Amendment immunity in federal patent, copyright, trademark law is constitutionally snug. The vast majority of state infringements of federal intellectual property constitute violations of the Takings Clause. And that is what matters—not the existence of the proper invocation of section 5 in the respective legislative histories.

F. Can State Immunity Be Avoided by Suing in State Court?

Suppose we are wrong in concluding that the intellectual property abrogating legislation is a valid exercise of section 5 power. Does it follow that plaintiffs must resort to a state law cause of action for inverse condemnation, as discussed in Part I, or can plaintiffs avoid the Eleventh Amendment by bringing suits under the patent, copyright, and trademark statutes in state court? The issue is worthy of attention not only because of its relevance to the intellectual property context, but also because Congress has purported to abrogate immunity in a range of contexts, and the section 5 argument we have advanced may not work in some of them. Professor Daniel J. Meltzer points out that Congress has recently passed numerous statutes that impose liability for retrospective relief on the states, listing "copyright, trademark, and patent laws; the Individuals with Disabilities Education Act; the Fair Labor Standards Act; the bankruptcy laws; the Veteran's Reemployment Rights Act; and provisions barring discrimination on the basis of race, sex, age, and disability."

We believe the Supreme Court will hold that a state does have an obligation to open its courts to suits brought by individuals seeking to enforce federal laws against that state. To begin with, there is recent precedent

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275. *See supra* notes 232-35 and accompanying text.

276. For the sake of exploring this issue, we put aside 28 U.S.C. § 1338, which provides for exclusive federal jurisdiction over patent and copyright cases. 28 U.S.C. § 1338 (1994). If an otherwise compelling case could be made in favor of giving effect to the recent abrogating legislation by allowing state court suits, then an equally compelling argument may be advanced in favor of reading the abrogating legislation as carving out an implicit exception to exclusive federal jurisdiction.


279. Others holding this position include Nicole A. Gordon & Douglas Gross, *Justice*
favoring access to state courts. The clearest example is found in *Hilton v. South Carolina Public Railways Commission*. In *Hilton*, an injured employee of a state-owned railroad brought suit against South Carolina under the Federal Employers' Liability Act (FELA) in federal court. While his damages action was pending, the Court rendered its decision in *Welch v. Texas Department of Highways and Public Transportation*, which held that the Jones Act did not properly abrogate the states' Eleventh Amendment immunity. Because the Jones Act, which provides remedies for injured seamen, and FELA, which provides remedies for injured railway workers, establish parallel statutory schemes, Hilton logically assumed that the Eleventh Amendment doomed his federal court suit, had it voluntarily dismissed, and refiled his FELA claim in South Carolina state court.

In its own courts, South Carolina successfully resisted Hilton's refiled claim, arguing that FELA did not authorize an action for money damages against an unconsenting state. Reversing the South Carolina courts, the Supreme Court emphatically rejected the argument that the Eleventh Amendment provided South Carolina with immunity from suit in its own courts, noting "as we have stated on many occasions, 'the Eleventh Amendment does not apply in state courts.'" Although the Eleventh Amendment barred Hilton's suit in federal court, Congress retained the power to provide a remedy in state court for the violation of a federal right. The Court stated that when "a federal statute does impose liability upon the States, the Supremacy Clause makes that statute the law in every State, fully enforceable in state court."

Nor does *Hilton* stand alone. *Nevada v. Hall* held that when a state is sued in the courts of another state, the forum court is not constitutionally compelled to respect the state's assertion of substantive immunity. In order

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285. Id. at 200-01.
286. Id. at 204-05 (quoting *Will v. Michigan Dept. of State Police*, 491 U.S. 58, 63-64 (1989)).
287. Id. at 207.
to uphold state immunity against a federal cause of action in the state’s own courts, the Court would need either to abandon Hall or else explain why it should matter whether suit is brought in one state court rather than another.

An advocate of broad immunity may argue that, by according state immunity a constitutional pedigree, Seminole Tribe undercuts the authority of Hilton and Hall. If state immunity is of constitutional dimension, then a mere statute may be ineffective to annul it. But Seminole Tribe itself never mentions Hilton and Hall, much less overrules them. The opinion addresses only the states’ immunity from federal suit, and the Court held only that immunity from federal suit has constitutional status. Seminole Tribe contains only a passing reference, buried in a footnote, to state court suits. Writing for the Court, Chief Justice Rehnquist, who had dissented in Hall, observed that "this Court is empowered to review a question of federal law arising from a state-court decision where a State has consented to suit." The negative implication of this truism may be that the Court would recognize a state’s assertion of immunity in its own courts from suits to enforce federal laws. On the other hand, neither Hans v. Louisiana nor Seminole Tribe involved suits brought in state court, and the dicta hardly squares with cases in which, for example, a tax refund was required of a recalcitrant state.

While Seminole Tribe’s dictum may unsettle the authority of Hilton and Hall, we doubt, for a variety of reasons, that the Court is ready to overrule the earlier cases. In the first place, a strong pragmatic argument can be advanced in favor of requiring state courts to hear such suits. In the absence of access to state court for suits brought by individuals against state governments, the enforcement mechanisms of these laws would be extremely limited. The United States could bring an enforcement action, of course, as the states’ immunity is unavailable in such a suit. So far as individual plaintiffs are concerned, the primary enforcement mechanism would be suits against individual government officials in their personal capacities. This approach would have numerous defects:

The responsible officials may be hard to identify, have left the jurisdiction, or be judgment-proof. When the scope of substantive duties is uncertain, personal liability may impair effective government decision making and unfairly penalize individuals . . . .

. . . . [I]n today’s world of high litigation costs, massively complex federal requirements, and erratic but sometimes punishing jury verdicts,

290. See generally Vázquez, supra note 16.
such an approach seems neither very practical, politically feasible, nor likely to contribute to harmonious federalism.\textsuperscript{294} In situations in which Congress may constitutionally regulate state activity, limiting the vehicles for enforcement in this way looks unwieldy, if not perverse.

The case for access to state court does not rest solely upon practical considerations. A powerful argument based on constitutional structure also favors less-than-absolute immunity. Under the Supremacy Clause, federal law trumps state law; therefore, any state law standing in the way of the full enforcement of the federal mandate should be preempted.\textsuperscript{295} Although the Eleventh Amendment carves out a jurisdictional exception to this principle, imposing a requirement on state courts to hear these suits affirms the substantive supremacy of federal law. Indeed, Congress recognizes the possible dual nature of state immunity when it makes states substantively liable in one part of a statute while abrogating their immunity from suit in federal court in another separate part.\textsuperscript{296} The point of this distinction between federal legislative and federal judicial power is that the states are well-equipped to defend their interests in Congress, whose members are elected from the states and who are politically accountable to their electorates.\textsuperscript{297} By contrast, there are no similar structural restraints on Article III judges. Accordingly, it is appropriate to curb federal judicial power, as the Court did in \textit{Seminole Tribe}, while recognizing broad Congressional power to subject states to suit in their own courts.\textsuperscript{298}

This view is grounded in both logic and precedent. We note that in recent cases the Court has consistently resorted to the Tenth Amendment and principles of federalism to adjudicate complaints that Congress cannot force the states to comply with federal law. The Court has not yet used the Eleventh Amendment as its vehicle for crafting rules of substantive immunity. For example, after discussing Congress’s power to force states to comply with federal overtime and minimum wage legislation in \textit{Garcia v. San Antonio Metropolitan Transit Authority},\textsuperscript{299} the Court held that state and local govern-

\textsuperscript{294} Meltzer, \textit{supra} note 160, at 48.
\textsuperscript{295} \textit{Id.} at 57.
\textsuperscript{296} \textit{Id.}
\textsuperscript{297} \textit{See generally} Herbert Wechsler, \textit{The Political Safeguards of Federalism: The Role of the States in the Composition and Selection of the National Government}, 54 \textit{COLUM. L. REV.} 543 (1954).
\textsuperscript{299} 469 U.S. 528 (1985).
INTELLECTUAL PROPERTY MISAPPROPRIATION

ments cannot constitutionally avoid compliance with federal law: Congress can force the states against their will to comply with federal law. This holding has been recently amplified in New York v. United States, which held that Congress can apply laws of general applicability against the states. Congress may not single out and "commandeer" a state legislature or its executive branch, but it may treat a state just like it treats other actors in the market. Granted, the Court may have assumed that suits against government officials in their personal capacity were the only vehicle to obtain retrospective relief, but we have already noted how unsatisfactory such a regime would be. More importantly, there is no hint in these cases that the states could in any way avoid enforcement of valid laws against them as official entities.

Another relevant line of cases, culminating in Printz v. United States, held that Congress can force state courts to hear claims based on the violation of federal rights. In Printz, Justice Scalia's opinion for the Court noted that Article III of the Constitution establishes a Supreme Court, but leaves the creation of lower federal courts to the discretion of Congress. The logical conclusion is that "the Constitution was originally understood to permit imposition of an obligation on state judges to enforce federal prescriptions." It is beyond doubt that a state normally must stand willing to adjudicate federal statutory and constitutional claims brought in its courts.

Also noteworthy are the cases in which state courts refused to entertain suits brought to enforce a federal law. The Court has permitted such refusal for neutral reasons, like the inconvenience of the forum. Yet the Court has consistently reversed state court refusals to adjudicate federal claims in cases in which the state court's reasons amount to an assertion that there is a con-

302. New York v. United States, 505 U.S. 144, 149 (1992) (concluding that Congress may not force state to make Hobson's choice between building radioactive waste dump or taking legal title to all low-level radioactive waste within its borders).
303. 117 S. Ct. 2365 (1997) (finding that Congress may not force unwilling local sheriffs to conduct background checks on gun purchasers).
304. U.S. CONST. art. III, § 1 ("The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish.").
305. Printz, 117 S. Ct. at 2371; see id. at 2370 n.1 ("[A] state court must entertain a claim arising under federal law 'when its ordinary jurisdiction as prescribed by local law is appropriate to the occasion and is invoked in conformity with those laws.'" (quoting Second Employers' Liab. Cases, 223 U.S. 1, 56-57 (1912))).
306. We do not rely heavily on this line of cases, however, as these cases do not expressly discuss suits brought against state governments.
lict between federal law and state policy. Relying on the Supremacy Clause, the Court has declared that "the policy of . . . federal [law] is the prevailing policy in every state."308

We predict that the Court, consistent with all these threads of doctrine, will hold that when a claimant seeks to enforce a generally applicable federal law against a state, it may do so in state court. We believe that as long as the federal law is substantively valid under Garcia and New York, a state court should have to entertain an action to enforce it. The Court seems to have established a clear division of labor - the Tenth Amendment governs issues of substantive immunity and the Eleventh Amendment governs issues of jurisdictional immunity.


The patent, copyright, and trademark laws all impose liability on any person who commits an act of infringement or false advertising.309 Government officials and local governments who commit violations of the federal copyright, patent, and trademark statutes may be sued like anyone else, although the official immunity doctrine discussed below310 sometimes shields officials from liability for damages in circumstances in which other defendants would be obliged to pay.

Intellectual property rights created by state law, such as trade secrets and publicity rights, fall outside the terms of the copyright, patent, and trademark laws. There is, however, another avenue by which these interests, as well as violations of copyright, patent, and trademark rights, may be redressed. We have in mind situations in which the interference is serious enough to amount to a "deprivation" of the property in violation of the substantive component of the Due Process Clause of the Fourteenth Amendment.311 For example, an official who negligently divulges a trade secret could not be held liable because a greater degree of culpability is required to make out a substantive


310. See infra text accompanying notes 311-13.

311. See Zinermon v. Burch, 494 U.S. 113, 125 (1990) (distinguishing between procedural and substantive due process). If the claim is that the government may procure the property, but has not followed proper procedures, then the case may be conceived either as a taking or as a violation of procedural due process, and the plaintiff may well be required to bring an inverse condemnation suit in state court.
due process violation. On the other hand, cases from the land use context suggest that when an official deliberately appropriates intellectual property, knowing he is violating the owner's rights, a substantive due process theory should be successful.

Assuming the elements of substantive due process can be proven, the victim may sue under 42 U.S.C. § 1983, which authorizes damages or injunctive relief against "every person who, under color of [state law]," violates someone's constitutional rights. The advantage of bringing a § 1983 suit, even in fact patterns that may also be framed as patent, copyright, and trademark cases, is that a successful plaintiff in such a suit is ordinarily entitled to attorney's fees. Such suits are almost never available against federal officers, as they do not usually act under color of state law.

A. Lawsuits Against Officials

For purposes of § 1983, "every person" includes both government officials and local governments, but not the state itself. As we shall see, the requirements for success differ depending on whether the (real) defendant is an officer or a government. Below are some important issues that arise in

313. See, e.g., Resolution Trust Corp. v. Town of Highland Beach, 18 F.3d 1536, 1549 (11th Cir.), vacated en banc, 42 F.3d 626 (11th Cir. 1994) ("Deprivation of a property interest rises to the level of a substantive due process violation if done for improper motives and achieved through means that are arbitrary and capricious, and lacking any rational basis."); Parkway Garage, Inc. v. City of Phila., 5 F.3d 685, 692 (3d Cir. 1993) ("A violation of substantive due process rights is proven: (1) if the government's actions were not rationally related to a legitimate government interest; or (2) if the government's actions in a particular case were in fact motivated by bias, bad faith or improper motive.").
315. The plaintiff may choose to pursue both remedies in the same complaint, of course.
suits against officers, and that may be of particular importance in suits involving intellectual property.

1. "Official" Capacity and "Individual" Capacity Lawsuits

Although state and local governments are treated differently for purposes of sovereign immunity law, state and local government officials are all subject to the same rules, with one exception — when they are sued under § 1983. The exception comes up when the plaintiff sues an officer in her "official" capacity. In that event, the officer is treated, for most purposes, like the government for whom she works. An employee of the state government and its instrumentalities sued in her official capacity would be entitled to assert the state’s sovereign immunity against a suit for damages, just as though the state had been named as the defendant. An employee of local government, sued in her official capacity, would have no sovereign immunity shield, simply because local governments have none. Notice, however, a confusing wrinkle in the law: When a state official is sued in her official capacity, it remains possible to obtain prospective relief against the official, even though such a suit would fail on Eleventh Amendment grounds in the event that the state were the named defendant. In fact, the customary practice is to sue the official in her official capacity, so that the injunction may continue in force when the holder of the office is replaced.

When the plaintiff wishes to recover retrospective relief from an officer of state or local government, he should sue the officer in her individual capacity. This is so even though the suit charges that the officer committed a constitutional violation in the course of her official duties. The distinction between "official" and "individual" capacity suits has nothing to do with the public or private nature of the activity. It relates only to the real party in interest: A suit against an officer in her "official" capacity is a suit against the governmental employer, subject to the rules that would apply in a suit naming the governmental employer (except for the prospective relief wrinkle noted above). It is up to the plaintiff to decide how to characterize the claim. For that matter, the plaintiff may choose to sue officers in both their "individual" and "official" capacities.

318. See Kentucky v. Graham, 473 U.S. 159, 166 (1985) ("[A] plaintiff seeking to recover on a damages judgment in an official-capacity suit must look to the government entity itself.").

319. See, e.g., Will, 491 U.S. at 71 n.10 ("[O]fficial-capacity actions for prospective relief are not treated as actions against the State." (quoting Graham, 473 U.S. at 167 n.14)).

320. See HART & WECHSLER, supra note 133, at 1125 & nn. 1-2.

2. "Under Color Of" State Law

Officers may be sued only for constitutional violations committed "under color of" state law. "Under color of" does not mean "authorized" by state law. It simply means that the officer acted under pretense of state law, using her state authority in some way, even if the action is illegal. The inquiry is highly fact-specific. A professor at a state school who infringes protected materials in her courses would act under color of state law even if state law forbids the practice. A professor who buys a book at the local bookstore and makes infringing copies for a private project unrelated to her job very likely does not act under color of state law, although the result may be different if she obtained the book from the school library in the course of her official duties.

3. Injunctive Relief

Despite the Eleventh Amendment, the Court held in Ex parte Young that the victim of a continuing constitutional or federal statutory violation can obtain an injunction directed at the official responsible for the violation. For example, if a university biochemistry department were routinely violating a patent owner's federal rights, an injunction against the responsible infringing employees constitutionally could be issued. If the Court were to hold, contrary to our analysis, that Congress's abrogation of Eleventh Amendment immunity is unconstitutional, Ex parte Young stands as at least a partial remedy for frustrated owners of federal intellectual property.

4. Official Immunity

When government officers perform legislative, judicial, or prosecutorial functions, they are absolutely immune from paying damages. Legislators alone are immune from prospective relief. We suspect these absolute immunities will have little practical importance for the protection of intellectual property rights, as most interferences with intellectual property will arise from the officers' exercise of executive functions of government. Everyone from policemen to the heads of government departments to the mayor and the governor acts in an executive capacity. These officers are always subject to suit for prospective relief but receive a "qualified" immunity from suits for damages. They "generally are shielded from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional


323. See generally Ex parte Young, 209 U.S. 123 (1908) (involving injunction against state attorney general to prevent enforcement of unconstitutional rate-setting scheme).
rights of which a reasonable person would have known. Notice that this qualified immunity would be available in a suit under the Copyright Act as well as in a § 1983 suit charging a constitutional violation of property rights.

One can imagine a wide variety of circumstances in which a government employee might find qualified immunity to be a powerful shield. For example, a very persuasive fair use argument can be offered on behalf of teachers who photocopy otherwise protected materials for distribution to their students in the form of "coursepacks." Although one appellate court has found a for-profit copyshop liable for photocopying infringing coursepacks, no court has ever found a teacher liable in a coursepack case. A teacher with a knowledge of the Copyright Act and the relevant case law could reasonably conclude that distributing a photocopied coursepack is not a violation of federal copyright law. Therefore, the teacher could successfully assert qualified immunity from an infringement suit brought by the copyright owner.

We note that the pocketbook of a state employee who is found liable is typically protected by some sort of insurance plan or indemnification scheme. An employee's source of indemnification for an illegal act, whether through insurance or a contractual right to be reimbursed by the state itself, does not, however, cause the state's immunity to rub off on the employee because such private arrangements do not confer upon a successful plaintiff the right to enforce the judgment against the state.

B. Lawsuits Against Local Governments

Municipalities (and municipal officials sued, confusingly, in their "official capacities") cannot assert either the state's sovereign immunity or

326. See id. (stating that fair use includes making of "multiple copies for classroom use"); see also Amy E. Groves, Recent Development, Princeton University Press v. Michigan Document Services, Inc.: The Sixth Circuit Frustrates the Constitutional Purposes of Copyright and Fair Use Doctrine, 31 GA. L. REV. 325, 328 (1996) (arguing that commercial copyshop should have been afforded fair use defense in preparing professors' coursepacks).
328. But see Better Gov't Bureau, Inc. v. McGraw, 904 F. Supp. 540, 553 (S.D. W. Va. 1995) (finding that state attorney general was not entitled to qualified immunity when unlawfulness of his corporation of state agency with name similar to plaintiffs "should have been apparent to him" in light of existing law), aff'd sub nom. In re Allen, 106 F.3d 582 (4th Cir. 1997), cert. denied, 118 S. Ct. 689 (1998).
329. See ERWIN CHEMERINSKY, FEDERAL JURISDICTION § 7.5.2, at 394-95 & n.22 (2d ed. 1994) (discussing lawsuits against state officers and indemnification).
330. Lincoln County v. Luning, 133 U.S. 529, 530-31 (1890); see HART & WECHSLER, supra note 133, at 1056-57.
In order to recover, the plaintiff must, however, meet another requirement. According to the Supreme Court's ruling in *Monell v. Department of Social Services*, a municipality is not liable under § 1983 unless the constitutional injury is inflicted during the "execution of a government's policy or custom." Governments always act through their officers. The point of the requirement is that local governments are not liable on a respondeat superior basis for anything their officers do in the course of their official duties. Local governments are responsible only for those acts that fall within the category of "policy or custom."

The cases on "policy or custom" can be divided into four fact patterns. First, a city or county will be liable for implementing rules of general application enacted by the city council or an agency. The city would almost surely be liable, for example, if the board of education made a decision that teachers should photocopy textbooks and sell them to students, rather than buy the books. Second, the city may be liable for a "custom" involving high officials who are aware of a widespread practice and do nothing to stop it, although there is no written policy requiring or approving the practice. Such a situation may arise if, to alter our hypothetical, infringing copyrights is common practice in the local schools, the superintendent and the school board know about it, and no one takes effective steps to stop it. Third, a government may be liable for unconstitutional acts committed by its employees if the injuries are caused by "inadequate training," or, perhaps, "inadequate hiring" by recklessly hiring a dangerous employee. Although the typical cases arise in the context of physical injuries inflicted by police officers and jailers, it may be possible to construct a lawsuit against a city for failure to train its employees how to deal appropriately with intellectual property as well.

333. *Monell v. Department of Soc. Servs.*, 436 U.S. 658, 694 (1978) ("[I]t is when execution of a government's policy or custom, whether made by its lawmakers or by those whose edicts or acts may fairly be said to represent official policy, inflicts the injury that the government as an entity is responsible under § 1983.").
334. *Id.*
335. For purposes of the rule discussed in this section, cities and counties are equivalent.
336. *See Chemerinsky, supra* note 329, § 8.5.2, at 453-54 (discussing establishment of municipal liability through demonstrating existence of "custom").
338. The Court found that the evidence failed to justify the application of such a theory, but did not wholly reject the theory itself, in the recent case *Board of the County Comm'rs v. Brown*, 117 S. Ct. 1382, 1388-94 (1997).
A fourth principle is less well-defined. Supreme Court cases hold that a city may be liable in the absence of a widespread policy or custom if the official who acts is the city's "policymaker" in a given domain.\(^{339}\) If so, then his action in that domain will be attributed to the city. In \textit{Pembaur v. City of Cincinnati},\(^ {340}\) for example, the local prosecutor told deputies to enter a room without a warrant.\(^ {341}\) The Court held that the prosecutor was the county's policymaker as to police searches, so that the county could be liable for his action.\(^ {342}\) For the sake of illustrating the limits of this principle, it is instructive to compare \textit{Pembaur} with \textit{City of St. Louis v. Praprotnik},\(^ {343}\) in which the plaintiff was fired by a mid-level city bureaucrat, allegedly for constitutionally impermissible reasons.\(^ {344}\) Because the firing was subject to review at a higher level, and there was no indication of unconstitutional motives on the part of the reviewers, the Court held that the former employee could not sue the city.\(^ {345}\)

The Court's most recent foray into this area is a 1997 case, \textit{McMillian v. Monroe County},\(^ {346}\) in which it stressed the role of state law in determining who is a "policymaker" for the purpose of the "single act" principle.\(^ {347}\) Although state law could not answer the question, the Court stated that the "inquiry is dependent on an analysis of state law," in the sense that the Court's "understanding of the actual function of a governmental official . . . will necessarily be dependent on the definition of the official's functions under relevant state law."\(^ {348}\) The application of the "single act by a policymaker" principle to intellectual property cases, then, is likely to vary depending on the actor, and may vary from one state to another depending on state law. Perhaps the "policy or custom" test of \textit{Monell} would be satisfied if a powerful mayor or city manager ordered all municipal secretaries to make unauthorized copies of a new word processing program.

\textit{IV. Conflicts Between Federal and State Jurisdiction}

Remedies for governmental intrusions on intellectual property are available under federal statutory and constitutional law, as well as under state

\begin{itemize}
\item \(^{340}\) 475 U.S. 469 (1986).
\item \(^{341}\) Pembaur v. City of Cincinnati, 475 U.S. 469, 472-73 (1986).
\item \(^{342}\) \textit{Id.} at 485.
\item \(^{343}\) 485 U.S. 112 (1988).
\item \(^{345}\) \textit{Id.} at 127.
\item \(^{346}\) 117 S. Ct. 1734 (1997).
\item \(^{347}\) \textit{McMillian v. Monroe County}, 117 S. Ct. 1734, 1736 (1997) (holding that under Alabama law, county sheriff is state, not county, policymaker).
\item \(^{348}\) \textit{Id.} at 1737.
\end{itemize}
condemnation law. Either the government or the property holder may be the plaintiff. Suit may be brought in either federal or state court. This complex remedial landscape gives rise to problems of jurisdictional coordination: May the property owner sue in federal court under § 1983 or under the intellectual property statutes even if a state remedy for inverse condemnation is available?

The answer to the forum issue may vary depending on whether the federal suit is brought under § 1983 or the intellectual property statutes. In any case, keep in mind that this is not merely a dry procedural issue. The remedies may differ depending on the forum, and the differences between federal and state judges may even produce systematically different outcomes on the merits of close cases. Accordingly, an overarching policy issue here should be noted: In addition to the specific considerations identified in the ensuing paragraphs, one’s view of the choice between federal and state courts will be influenced, in part, on a judgment as to whether the property owner or the defendant government or officer ought to get the benefit of any litigating edge that comes with having the case adjudicated in a forum that will likely be sympathetic to his interests.

A. Section 1983 Litigation

It is useful to distinguish between § 1983 suits against governments and those brought against individual officers. We begin with suits against governments. Recall that these suits are possible only when the challenged action meets the "policy or custom" test of Monell.349

1. Lawsuits Against Governments

In Williamson County Regional Planning Commission v. Hamilton Bank,350 Hamilton Bank charged that the Planning Commission had taken its property by unconstitutionally interfering with its efforts to develop land and sued the Planning Commission in federal court under § 1983 to recover the value of the land.351 The Court rejected the bank’s Just Compensation Clause theory of recovery for lack of ripeness, citing two reasons. First, a regulatory taking claim "is not ripe until the government entity charged with implementing the regulations has reached a final decision regarding the application of the regulations to the property at issue."352 Here, the plaintiff had not sought variances that would have allowed it to develop the property according to its

349. See supra text accompanying note 333.
352. Id. at 186.
proposed plat.\textsuperscript{353} Second, "a property owner has not suffered a violation of the Just Compensation Clause until the owner has un成功fully attempted to obtain just compensation through the procedures provided by the State for obtaining such compensation."\textsuperscript{354} The bank went wrong by attempting to sue in federal court under § 1983 rather than bringing an inverse condemnation action under state law in state court.\textsuperscript{355}

The Court went on to consider the viability of the case when conceived as a claim that the Planning Commission had deprived the bank of its property without due process of law. This theory, too, was "premature."\textsuperscript{356} Viewed in this way, the case would depend on whether the regulation was "so onerous that it has the same effect as an appropriation of the property."\textsuperscript{357} That inquiry would turn largely "upon an analysis of the effect the Commission's application of the zoning ordinance... had on the value of [the bank's] property and investment-backed profit expectations."\textsuperscript{358} As with the takings claim, that effect could not be measured until the bank applied for variances.\textsuperscript{359}

Does Williamson County require persons claiming violations of intellectual property rights to bring inverse condemnation actions in state court before seeking federal relief under § 1983? If the plaintiff frames the § 1983 case as a violation of the Takings Clause, the second prong of the Court's response to the Williamson County plaintiff's takings theory seems equally applicable here. Evidently, any takings claim is premature until the state has failed to adequately compensate,\textsuperscript{360} and one must always pursue the state court inverse condemnation action as a means of obtaining compensation.

Suppose the plaintiff frames the case as a deprivation of property without due process of law.\textsuperscript{361} Williamson County may not require deference to state

\textsuperscript{353} Id. at 188.
\textsuperscript{354} Id. at 195.
\textsuperscript{355} Id. at 195-96.
\textsuperscript{356} Id. at 199.
\textsuperscript{357} Id.
\textsuperscript{358} Id. at 200.
\textsuperscript{359} Id.
\textsuperscript{360} Cf. Preseault v. ICC, 494 U.S. 1, 11 (1990) ("[T]aking claims against the Federal Government are premature until the property owner has availed itself of the process provided by the Tucker Act." (quoting Williamson County Reg’l Planning Comm’n v. Hamilton Bank, 473 U.S. 172, 195 (1985))).

\textsuperscript{361} The difference between the two claims is not just procedural. In the "regulatory" context, the plaintiff is hard-pressed to win a "takings" claim because he must show that he has lost all beneficial use of the property. See supra text accompanying note 98; see also First English Evangelical Luth. Church v. County of L.A., 482 U.S. 304, 329 (1987) (Stevens, J., dissenting). In principle, a due process claim should be successful if the plaintiff can show a deprivation of some of his bundle of property rights, even if he is left with some use of the property.
inverse condemnation law in such a case. The Court found this claim to be premature solely because of the bank's failure to apply for variances, a rationale that is applicable only to regulatory takings like the one at issue. The rationale is out of place in the context of most violations of intellectual property rights, which are more like possessory takings. Note that the Court refused to put the due process claim in the same hopper with the takings claim. In contrast to its treatment of the takings claim, it did not go on to require the plaintiff to resort to state courts as a prerequisite to asserting the due process claim in federal court.

This is hardly the sole plausible reading of how Williamson County applies to intellectual property cases. The materials are at hand to support an argument that the intellectual property plaintiff must proceed in state court, even if he frames his federal case as a violation of due process. In ruling that the takings issue was not ripe, the Court actually relied on two due process cases, Parratt v. Taylor and Hudson v. Palmer. In Hudson, the Court held that in the event of a "random and unauthorized" deprivation of property by an officer, the violation of the Due Process Clause is not complete "unless or until the state fails to provide an adequate postdeprivation remedy for the property loss." If this rationale prevails in the event of "random and unauthorized" deprivations for which relief is sought under a due process theory, and if it prevails in the event of a deliberate deprivation for which relief is sought under a takings theory, then it may well prevail in the event of a deliberate deprivation for which relief is sought under a due process theory.

In Zinermon v. Burch, the Supreme Court limited the Parratt principle to the context of procedural due process. That is, the rule that the constit-

In the possessory takings context, however, the difference between the two theories seems more a matter of forum and remedy than the overt content of the right.

362. See, e.g., Resolution Trust Corp. v. Town of Highland Beach, 18 F.3d 1536, 1547 (11th Cir. 1994) ("A property owner's [due process] rights are violated the moment a governmental body acts in an arbitrary manner and applies that arbitrary action to the owner's property."), vacated en banc, 42 F.3d 626 (11th Cir. 1994).

363. See supra text accompanying notes 105-11.


367. Some lower courts hold that, in the regulatory context, the due process claim collapses into the takings claim, which, in turn, is covered by the Williamson County takings rule. A recent example is Villas of Lake Jackson, Ltd. v. Leon County, 121 F.3d 610 (11th Cir. 1997). It is not clear why the court limited its ruling to the regulatory context. See id. at 613. The reason may be that it thought possessory takings present a more serious threat to property rights. See id. at 614.


tional violation is not complete applies only when the plaintiff concedes that
the government may deprive him of liberty or property, but objects to the lack
of procedural protections accompanying the deprivation. By contrast, the
obligation to pursue state remedies does not apply when the plaintiff brings
or raises a "substantive" due process objection to the government's action,
claiming that, regardless of the procedure followed, the government may not
inflict the injury of which he complains. But confining Parratt in this way
presents no serious obstacle to the extension of the Williamson County rule,
because governments are always allowed to take property for public use, so
long as they pay just compensation. Framing a taking as a due process viola-
tion cannot conceal the nature of what the government actually has done, and
what it has the power to do. There may be "substantive" due process limits
on what the government can do, but they do not include curbs on taking
property for public use.

Nor does the application of the Parratt and Hudson doctrine to "random
and unauthorized" acts serve to foreclose a rule requiring resort to state courts.
The Court in Williamson County relied on Parratt and Hudson for the propo-
sition that certain circumstances may warrant a requirement of postdeprivation
resort to state procedures. One such circumstance is the "random and unau-
thorized" nature of the deprivation, for then "it would be impossible or im-
practicable to provide a meaningful hearing before the deprivation."372
Another circumstance, the Court reasoned, is the nature of the right granted
by the Takings Clause, which is merely just compensation before or after the
taking.373 Again, framing the claim as procedural due process does not change
the nature of the right at stake. The reality that the state is entitled to procure
the property and pay for it afterward may well be a sufficient justification for
obliging the plaintiff to pursue the inverse condemnation claim, whether the
plaintiff has styled the federal case as a taking or as a violation of due process.

2. Lawsuits Against Officers

Now consider cases in which an officer deprives someone of intellectual
property rights in circumstances that would not support a "policy or custom"
suit against the local government.\textsuperscript{374} In that event, the Takings Clause seems to be inapplicable. The clause not only recognizes an individual's right to just compensation, it also authorizes the government to assume control of private property. The premise of the Takings Clause is that the sovereign may, deliberately or otherwise, take private property for public use.\textsuperscript{375} That power is not granted to officers acting under pretense of state authority but without genuine authorization from the government. When an officer injures property rights without the backing of his governmental employer, he may be sued for a violation of rights "under color of" state law,\textsuperscript{376} yet the special rules that arguably channel takings and due process suits against local governments into state court would not apply.

**B. Lawsuits Under the Intellectual Property Statutes**

The foregoing analysis of the availability of \S\ 1983 suits may apply equally here. For that matter, the Supreme Court may broaden the *Williamson County* holding into a rule that all possessory takings claims, including intellectual property claims, must be pursued in state court inverse condemnation suits before the property owner brings a \S\ 1983 action. Still, some considerations are distinctive to the context of litigation under the intellectual property statutes. Whatever may be true of \S\ 1983 litigation, there are arguments in favor of allowing suits under the intellectual property statutes to go forward in federal court.

First, \S\ 1338's exclusive federal jurisdiction over patent and copyright manifests a strong congressional preference for federal court adjudication of these intellectual property claims. More importantly, the abrogating legislation, which broadly protects intellectual property rights against state invasions, unambiguously demonstrates that Congress wanted plaintiffs to have access to federal court in such cases.\textsuperscript{377} Assume that courts appropriately apply the ripeness rule of *Williamson County* to \S\ 1983 cases for deprivations

\begin{itemize}
\item \textsuperscript{374} The discussion here is not limited to officers of local governments. An officer who works for an "arm of the state" may also trample on intellectual property rights without the authority of the state to back him up. The ensuing discussion is, of course, applicable to \S\ 1983 suits against such an officer.

For that matter, there are circumstances in which private persons act "under color of" state law and hence may be sued under \S\ 1983, such as when they conspire with state officers to violate the victim's constitutional rights. *See generally*, e.g., Dennis v. Sparks, 449 U.S. 24 (1980).

\item \textsuperscript{375} *See* *NicholsonEminent Domain* \S\ 1.11 (Julius L. Sackman & Russell D. Van Brunt eds., 3d ed. 1950). *See*, e.g., First English Evangelical Luth. Church v. County of L.A., 482 U.S. 304, 314-16 (1987).

\item \textsuperscript{376} *See* supra text accompanying note 322.

\item \textsuperscript{377} *See* supra notes 1-3.
\end{itemize}
of property without due process. In such cases, a deference rule may be appropriate, because there is no specific congressional intent to the contrary. In the context of the intellectual property statutes, however, the ripeness rule may be inapplicable, because the claim is for infringement, not for a taking or a deprivation of property without due process. In a statutory action for infringement, the availability of a state remedy may simply be irrelevant. Williamson County's judge-made ripeness rule channelling cases to state court would have to fall before the authority of Congress to allocate jurisdiction, unless of course it is a rule of constitutional dimension. As to this issue of the pedigree of the ripeness requirement, Williamson County offers no guidance.  

C. Must the Federal Court Defer to State Proceedings? 

Suppose we are right in asserting that some federal suits for deprivation of intellectual property may be maintained in spite of the potential obstacles presented by Williamson County. A further forum allocation issue must be examined. Recall that the government remains free to institute a condemnation action in its own courts. Accordingly, two lawsuits raising the same issues may unfold at the same time in the federal and state courts. For example, in response to a business filing an action for trademark infringement against a state in federal court, a state might institute the proper state proceedings to pay restitution for a temporary deprivation of the business property. Should the federal court defer to the state court? 

The Supreme Court did sometimes require federal courts to defer to pending state litigation. In particular, Younger v. Harris and its progeny direct federal courts to dismiss cases brought by persons who are defendants in pending state civil and criminal enforcement proceedings against them, if their federal claims could be raised in the state courts. The application of the Younger rule to the sort of conflict we have posed in this section is unclear, because our problem contains elements that point in both directions. On the one hand, the federal plaintiff is, as in the Younger paradigm, a state court defendant who could raise his federal claims in state court. On the other hand, the Court held, in New Orleans Public Service, Inc. v. Council of New Orleans

378. One commentator maintains that the ripeness doctrine should never have a constitutional pedigree so that doctrines foreclosing federal jurisdiction due to lack of ripeness are always subject to Congressional revision. See generally Gene R. Nichol, Jr., Ripeness and the Constitution, 54 U. Chi. L. Rev. 153 (1987).


380. Younger v. Harris, 401 U.S. 37, 43-46, 50 (1971); see Hart & Wechsler, supra note 133, at 1256-1308. Note that a state case is "pending" if it is filed before the federal case, or after the federal case begins but before there have been "proceedings of substance on the merits" in federal court. Hicks v. Miranda, 422 U.S. 332, 349 (1975).
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(NOPSI),381 that the Younger rule requires deference not to all state proceedings, but only to state enforcement proceedings against a private defendant who has violated state law.382 Younger was inapplicable in NOPSI because, although there were two state proceedings pending, neither involved enforcement of state law against a recalcitrant defendant. One of the state proceedings was a petition for review of the rate order, brought by the utility company.383 In the other state case, the city as plaintiff sought a declaratory judgment that the rate order was valid.384

Given the Court's holding in NOPSI, it is unlikely that the Court would extend Younger abstention to suits to recover for governmental invasions of intellectual property rights. The lesson of NOPSI is that Younger is not a general principle that applies across a range of state proceedings. Instead, Younger is a narrow rule of deference: "[T]he type of proceeding to which Younger applies"385 includes "state criminal prosecutions, ... civil enforcement proceedings, ... and ... civil proceedings involving certain orders that are uniquely in furtherance of the state courts' ability to perform their judicial functions."386 In refusing to extend Younger to require deference to the declaratory judgment and petition to review, the Court in NOPSI emphasized that "[s]uch a broad abstention requirement would make a mockery of the rule that only exceptional circumstances justify a federal court's refusal to decide a case in deference to the States."387 The same answer could appropriately be given to a suggestion that Younger abstention be ordered in deference to state condemnation proceedings.388 In short, we believe the state and federal cases may go forward at the same time.

382. New Orleans Pub. Serv., Inc. v. Council of New Orleans, 491 U.S. 350, 366 (1989) (stating that no deference is required when state suits are for review of rate order and for declaratory judgment that rate order is valid).
383. Id. at 355.
384. Id. at 356.
385. Id. at 367.
386. Id. at 368.
387. Id. Note, however, that the Court here omitted any mention of the extension of Younger to administrative proceedings, a development that seems somewhat at odds with the "exceptional circumstances" requirement. See generally, e.g., Ohio Civil Rights Comm'n v. Dayton Christian Schs., 477 U.S. 619 (1986).
388. Another, less well-defined, abstention doctrine sometimes requires federal abstention when there are parallel federal and state proceedings, if required by "considerations of wise judicial administration." See Colorado River Water Conserv. Dist. v. United States, 424 U.S. 800, 817 (1976). The application of this principle depends on the circumstances of particular cases. See HART & WECHSLER, supra note 133, at 1316-23. It may well require federal abstention in some pieces of intellectual property litigation and not in others.
Conclusion

Do not allow the complexity of this body of law to obscure the central point: One way or another, most victims of governmental invasions of their intellectual property rights should be able to obtain relief, although the plaintiff may be obliged to make his way through a maze of remedial roadblocks until he has found a theory that works for the circumstances of his particular case. Among other things, plaintiffs must consider whether the suit is properly brought against an officer or a government; they should understand the advantages of litigating in federal court and the difficulty of getting there; and they should keep in mind the central premise of *Seminole Tribe*, which is that state immunity from suit in federal court pre-dates the Eleventh Amendment and may be abrogated only by Congress's exercise of powers granted in later times.

The sometimes illogical doctrine results from the nature of the problems the Supreme Court has had to face. Governmental and official immunity reflect a set of values that is irreconcilable with governmental and official accountability for their misuse of intellectual property belonging to others. The Court could have resolved the tension through a flat rule denying recovery, an approach it has never taken. Alternatively, it could have done away with immunity, the direction it seemed to have taken in the pre-*Seminole Tribe* cases. Instead, it has chosen to try to respect both sides of the issue, producing a doctrine that fails the test of coherence but may nonetheless afford a remedy for most violations of intellectual property rights.