

Infringement of Intellectual Property Rights and State Sovereign Immunity

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Summary

The Eleventh Amendment to the U.S. Constitution 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." Although the amendment appears to be focused on preventing suits against a state by non-residents in federal courts, the U.S. Supreme Court has expanded the concept of state sovereign immunity to reach much further than the literal text of the amendment, to include immunity from suits by the states' own citizens and immunity from suits under federal law within a state's own court system.

As a result of two landmark Supreme Court decisions in 1999, *Florida Prepaid* and *College Savings Bank,* the Eleventh Amendment currently bars an individual from successfully seeking damages from a state for violations of federal intellectual property laws unless the state clearly consents to being sued through waiver, or Congress legitimately abrogates state sovereign immunity. Valid waiver exists only where a state has clearly submitted itself to federal jurisdiction. Courts have interpreted this rule to validate waiver in several scenarios: where a state voluntarily removes a case to federal court; where a state voluntarily initiates and participates in the litigation; where the case is part of one continuous action in which the state previously waived its immunity; where a state enacts legislation waiving its sovereign immunity; or where a state enters a contract containing a provision in which the state specifically submits to federal court jurisdiction in the case of a dispute. Absent these forms of clear waiver, a state does not relinquish its privilege of sovereign immunity under the Eleventh Amendment.

Congressional abrogation of state sovereign immunity to suit under federal intellectual property laws is valid only when achieved through a congressional statute passed pursuant to the enforcement power under § 5 of the Fourteenth Amendment. A valid statute passed pursuant to § 5 will be limited in scope and remedy a pervasive and unredressed constitutional violation. The Supreme Court has previously invalidated congressional attempts to abrogate state sovereign immunity in intellectual property lawsuits against state governments.

Where there has been no clear waiver by the state, nor abrogation of state sovereignty by Congress, a party cannot obtain damages from a state under federal law. The injured party may, however, sue the individual official responsible for the violation for prospective injunctive relief under the *Ex Parte Young* doctrine. In order to obtain this kind of non-monetary relief, the party must show a continued violation of federal law and an adequate connection between the named official and the actual violation.

In response to *Florida Prepaid* and *College Savings Bank,* various bills have been introduced in previous sessions of Congress in an attempt to hold states accountable for violations of intellectual property rights. These proposals, however, never made it out of committee.

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In accordance with the doctrine of federalism, the American constitutional system divides privilege and power between the central national government and the individual states. Significant constitutional conflicts often arise, however, where the legitimate exercise of power at one level is incompatible with the legitimate exercise of power at the other. The convergence of state sovereign immunity and federal intellectual property law provides one example of the complicated interaction between the powers of the federal government, the state, and the individual, and the inevitable conflicts that arise as all three attempt to exercise their established powers and rights.

The Eleventh Amendment to the U.S. Constitution, with limited exceptions, bars an individual from suing a state under federal law without the state's consent. While states may consent to suit by waiving the privilege of sovereign immunity, in limited circumstances Congress may also abrogate, or overrule, that immunity by passing a statute pursuant to the enforcement power under § 5 of the Fourteenth Amendment.[1] There are times, however, when a state may decide against waiving its sovereign immunity and Congress is unable to abrogate sovereign immunity pursuant to the Fourteenth Amendment. In these situations, an individual is barred from suing a state for monetary damages for a violation of federal law. Intellectual property has emerged as one area where Congress has been unsuccessful in abrogating sovereign immunity, and states have not expressly chosen to waive their constitutionally protected privilege of immunity. Therefore, individuals may not recover damages under federal patent, copyright, or trademark law for infringements perpetrated by a state entity.[2]

Overview of Intellectual Property Law

Intellectual property (IP) law has several major branches, applicable to different types of subject matter, including the following: *copyright* (original artistic and literary works of authorship), *patent* (inventions of processes, machines, manufactures, and compositions of matter that are useful, new, and nonobvious), and *trademark* (commercial symbols and commercial names). The source of federal copyright and patent law originates with the copyright and patent clause of the U.S. Constitution, which authorizes Congress to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[3] By contrast, the constitutional basis for federal trademark law is the power to regulate interstate commerce under the commerce clause.[4]

IP Rights

The Copyright Act, Patent Act, and the Trademark Act of 1946 (conventionally known as the Lanham Act) provide legal protection for intellectual property against unauthorized use, theft, and other violations of the rights granted by those statutes to the IP owner. The Copyright Act provides copyright owners with the exclusive right to control reproduction, distribution, public

[1] Seminole Tribe of Florida v. Florida, 517 U.S. 44 (1996).

[2] *See, e.g.*, Florida Prepaid Postsecondary Educ. Expense Bd. v. College Savings Bank, 527 U.S. 627 (1999) (dismissing suit against Florida for patent infringement); College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666 (1999) (dismissing suit against Florida for false advertising).

[3] U.S. CONST. art. I, § 8, cl. 8.

[4] U.S. CONST. art. I, § 8, cl. 3.

performance, and display of their copyrighted works.[5] The Patent Act grants patent holders the right to exclude others from making, using, offering for sale, or selling their patented invention throughout the United States, or importing the invention into the United States.[6] The Lanham Act allows sellers and producers of goods and services to prevent a competitor from (1) using any counterfeit, copy, or imitation of their trademarks (that have been registered with the U.S. Patent and Trademark Office) in connection with the sale of any goods or services in a way that is likely to cause confusion, mistake, or deception,[7] or (2) using in commercial advertising any word, term, name, symbol, or device, or any false or misleading designation of origin or false or misleading description or representation of fact, which (a) is likely to cause confusion, mistake, or deception as to affiliation, connection, or association, or as to origin, sponsorship, or approval, of his or her goods, services, or commercial activities by another person, or (b) misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities.[8] In addition, the Lanham Act grants to owners of "famous" trademarks the right to seek injunctive relief against another person's use in commerce of a mark or trade name if such use causes dilution by blurring or tarnishing the distinctive quality of the famous trademark.[9]

IP Owners

Private individuals and organizations may own various forms of IP, either because they are the creators of such IP and have not relinquished their rights by assignment,[10] or they have acquired legal title to the IP. Federal, state, and local government entities also may own or claim a property interest in certain patents, copyrights, and trademarks, with the notable exception that the Copyright Act categorically excludes copyright protection for any work of the U. S. government,[11] although the federal government may receive and hold copyrights transferred to it by assignment, bequest, or otherwise.[12]

Infringement and Remedies

Generally speaking, the use of a patented invention, copyrighted work, or trademark without the authorization of the IP owner constitutes infringement.[13] The IP owner may initiate a civil action against an alleged infringer for a violation of any of the exclusive rights conferred by a patent, copyright, or trademark. If a defendant is found guilty of patent infringement in a lawsuit brought by the patent holder,[14] the remedies available to the plaintiff include an injunction to cease and

[5] 17 U.S.C. § 106.

[6] 35 U.S.C. §§ 154(a)(1), 271(a).

[7] 15 U.S.C. § 1114(1).

[8] 15 U.S.C. § 1125(a)(1).

[9] 15 U.S.C. § 1125(c)(1). For more information about trademark dilution, *see* CRS Report RL33393, *Protecting Famous, Distinctive Marks: The Trademark Dilution Revision Act of 2006*, by Brian T. Yeh.

[10] An "assignment" is a form of legal transfer in which the rights to property are conveyed to another, often by sale and the use of a contract. BRYAN A. GARNER, BLACK'S LAW DICTIONARY, 8TH ED. (2004).

[11] 17 U.S.C. § 101 (defining a work of the U. S. government as "a work prepared by an officer or employee of the United States Government as part of that person's official duties").

[12] 17 U.S.C. § 105.

[13] 17 U.S.C. § 501 (copyright); 35 U.S.C. § 271(a) (patent); 15 U.S.C. § 1114 (trademark).

[14] 35 U.S.C. § 281.

prohibit the offending activity by the defendant,[15] damages to compensate for the infringement,[16] and even attorney fees.[17] Federal law only provides civil remedies in the event of patent infringement; there are no criminal sanctions.[18] The Copyright Act provides several civil remedies for infringement, including the possibility of obtaining injunctive relief,[19] actual damages suffered by the copyright owner due to the infringement,[20] statutory damages,[21] and costs and attorney fees.[22] The U.S. Department of Justice may also criminally prosecute particularly egregious violators of the copyright law in the case of willful infringement for purposes of commercial advantage or private financial gain.[23] The usual remedy for trademark infringement is injunctive relief,[24] although monetary relief is also available.[25] In addition, the court may order that any infringing articles bearing the reproduction, copy, or colorable imitation of a registered trademark be destroyed.[26]

Potential Defendants

As noted above, IP owners may enforce their rights under the federal IP laws by bringing lawsuits against alleged infringers. The defendants who may be sued for infringement include private individuals, companies, and also the federal government.[27] However, while both monetary and injunctive relief are available in the case of private entity defendants, the remedies differ when the defendant is the federal government in copyright and patent infringement cases. Federal government infringement of a copyright or patent may give rise to a cause of action that is governed by statute, 28 U.S.C. § 1498. This law provides that if the federal government uses a patented invention without the authorization of the patent holder, or if the federal government infringes a copyright, the only remedy available to the IP owner is the right to bring suit in the U.S. Court of Federal Claims to recover "reasonable and entire compensation" from the federal government.[28] However, note that the federal government remains fully liable for all forms of

[15] 35 U.S.C. § 283.

[16] 35 U.S.C. § 284.

[17] 35 U.S.C. § 285.

[18] 35 U.S.C. § 281.

[19] 17 U.S.C. § 502.

[20] 17 U.S.C. § 504(b).

[21] 17 U.S.C. § 504(c)(1).

[22] 17 U.S.C. § 505.

[23] 17 U.S.C. § 506, 18 U.S.C. § 2319.

[24] 15 U.S.C. § 1116.

[25] 15 U.S.C. § 1117(a) (permitting recovery of the infringer's profits, plaintiff's damages and litigation costs, and attorney fees).

[26] 15 U.S.C. § 1118.

[27] The "federal government" referred to in this section includes not only agencies and instrumentalities of the federal government, but also a corporation owned or controlled by the United States, or a contractor, subcontractor, or any person, firm, or corporation acting for and with the authorization or consent of the federal government. *See* 28 U.S.C. § 1498(b); 15 U.S.C. § 1114(1).

[28] However, the U.S. Court of Appeals for the Federal Circuit has held that the federal government is immune from claims brought under the Digital Millennium Copyright Act (DMCA), pertaining to that statute's substantive prohibitions against the circumvention of technological measures that copyright owners may utilize to prevent unauthorized access or use of copyrighted works. The Federal Circuit in *Blueport Co., LLC v. United States,* 533 F.3d 1374 (Fed. Cir. 2008), determined that the DMCA "contains no express waiver of sovereign immunity" and that 28 U.S.C. § 1498(b) does not apply because "a claim for violation of the DMCA is not ... a subset of claims for copyright infringement" *Id.* at 1383-84.

relief (both monetary and injunctive) that are provided under the Lanham Act in the case of trademark infringement.[29]

Yet when state governments and state institutions (such as state-owned universities) infringe copyrights, patents, or trademarks, the IP owner currently has very limited legal recourse because of the U.S. Supreme Court's jurisprudence concerning the Eleventh Amendment. This case law has produced what some consider an anomalous outcome: a state may own a copyright, patent, or trademark and sue to enforce its rights in federal court, but that state may not be held accountable for monetary damages for its own violations of others' IP rights unless the state waives its sovereign immunity and consents to be sued.[30]

An Introduction to the Eleventh Amendment and State Sovereign Immunity

Shortly after the Revolutionary War, two citizens of South Carolina sued the state of Georgia to recover a Revolutionary War debt owed by the State. The case eventually made its way to the U.S. Supreme Court, where in *Chisholm v. Georgia* the Court noted that Article III of the Constitution specifically granted the federal courts jurisdiction over suits "between a state and citizens of another state."[31] The authorization came as a considerable surprise to the states, which had each relied on the immunity from suit that had commonly accompanied state sovereignty. In a direct rebuke of *Chisholm*, Congress and the states immediately acted to protect state sovereign immunity through the ratification of the Eleventh Amendment, the first amendment to the Constitution subsequent to the Bill of Rights.

The Eleventh Amendment states, "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."[32] Though the language of the amendment appears to bar only suits against a state by non-residents, the Supreme Court has interpreted the doctrine of sovereign immunity to also bar suits by citizens against their own state.[33] The Eleventh Amendment therefore protects states from being sued in federal court without their consent in both federal question and diversity cases.[34] The Court expanded the purview of the amendment in *Alden v. Maine* to include immunity from suit under federal law within a state's own court system.[35]

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[29] 15 U.S.C. § 1114(1) (in stating that "any person" who commits trademark infringement shall be liable in a civil action, the statute expressly defines "any person" to include the United States, and declares that the United States "shall be subject to the provisions of [the Lanham Act] in the same manner and to the same extent as any nongovernmental entity.").

[30] *See, e.g.,* Peter Lattman, *Critics Take Aim At California's Patent Shield*, THE WALL ST. J., Nov. 13, 2007, at B1.

[31] 2 U.S. (Dall.) 419 (1793).

[32] U.S. CONST. amend. XI.

[33] Hans v. Louisiana, 134 U.S. 1 (1890).

[34] The Eleventh Amendment does not provide counties and municipalities with the protections of sovereign immunity. *See, e.g.,* Board of Trustees of the University of Alabama v. Garrett, 531 U.S. 356 (2001) (holding the Eleventh Amendment does not extend its immunity to units of local government); Hess v. Port Authority Trans-Hudson Corp., 513 U.S. 30 (1994) (holding cities and counties do not enjoy Eleventh Amendment immunities).

[35] 527 U.S. 706 (1999).

In *Hans v. Louisiana*, the Court considered whether the grant of federal jurisdiction found in Article III of the Constitution negated state sovereign immunity.[36] In holding that it did not, the Court characterized the Eleventh Amendment as a specific attempt to overturn the Court's misinterpretation in *Chisholm*, rather than an affirmative amendment to the original structure of the Constitution. The Eleventh Amendment had not constituted a change in the Constitution, the Court determined, but a restoration of the original and intended constitutional design. This interpretation allowed the Court to expand sovereign immunity beyond the confines of the language of the Eleventh Amendment.

It was not until 1996 that the Court attempted to define the extent to which Congress had the authority to abrogate sovereign immunity where a state refused to waive its protection. In *Seminole Tribe of Florida v. Florida,* the Supreme Court reasoned that because the Eleventh Amendment was ratified after Article I of the Constitution, Congress could not abrogate state sovereign immunity pursuant to any legislative power granted under the enumerated powers of Article I, § 8.[37] The Court did, however, suggest that Congress could abrogate sovereign immunity through a statute passed pursuant to the § 5 enforcement power of the Fourteenth Amendment because that legislative authority was granted subsequent to the ratification of the Eleventh Amendment.[38] It became clear following *Seminole Tribe* that any attempt by Congress to abrogate state sovereign immunity would have to be justified under the Fourteenth Amendment.

The Road to *Florida Prepaid* and *College Savings Bank*

From 1790[39] to 1962, no court had dismissed a suit for alleged intellectual property infringement by a state on Eleventh Amendment sovereign immunity grounds.[40] An individual was free to recover damages from a state that was guilty of copyright, patent, or trademark infringement. Then in 1962, a copyright infringement action against an Iowa school district was dismissed by the Eighth Circuit Court of Appeals for lack of jurisdiction under the Eleventh Amendment.[41] The issue simmered until 1985 when the Supreme Court dismissed an employment discrimination case on sovereign immunity grounds because Congress had not provided the requisite "unequivocal language" in the Rehabilitation Act of 1973 necessary to abrogate state sovereign immunity.[42] The Court in *Atascadero State Hospital v. Scanlon* held that federal statutes purporting to abrogate state sovereign immunity must clearly express Congress's intent to provide a remedy for individuals filing suit against a state.[43] The Federal Circuit Court of Appeals then applied *Atascadero* in *Chew v. California*, in holding that the Patent Act did not contain the "requisite unmistakable language of Congressional intent necessary to abrogate Eleventh

[36] *Hans,* 134 U.S. 1.

[37] 517 U.S. 44 (1996).

[38] *Id.* at 72-3 ("The Eleventh Amendment restricts the judicial power under Article III, and Article I cannot be used to circumvent the constitutional limitations placed upon federal jurisdiction.").

[39] The Copyright Act of 1790 made "any person" liable for damages as a result of copyright infringement. 1 Stat. 124 (1790).

[40] *Sovereign Immunity and the Protection of Intellectual Property: Hearing Before the S. Comm. on the Judiciary,* 107th Cong. (2002) (statement of Marybeth Peters, Register of Copyrights, U.S. Copyright Office).

[41] Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962).

[42] Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985).

[43] *Id.*

Amendment immunity."[44] Congress, concerned about the integrity of its intellectual property laws and unwilling to accept the proposition that states could enjoy the protections of federal intellectual property law without recognizing others' interests in intellectual property protections, soon responded to the uncertainty created by the *Atascadero* and *Chew* decisions by passing the Copyright Remedy Clarification Act (CRCA),[45] the Trademark Remedy Clarification Act (TRCA),[46] and the Patent and Plant Variety Protection Remedy Clarification Act (PRCA).[47] Language within these acts specifically and unequivocally abrogated state sovereign immunity and subjected the states to suits for monetary damages brought by individuals for violation of federal copyright, trademark, or patent law.

In 1999, sensing a growing tension between state and federal power, the Supreme Court granted certiorari to review two companion cases out of the Third Circuit and Federal Circuit Court of Appeals[48] dealing directly with the abrogation of state sovereign immunity under the PRCA and the TRCA.[49] College Savings Bank had been awarded a patent for its financing methodology, based on certificates of deposit and annuity contracts, designed to guarantee investors funds for future college expenses. The state of Florida soon adopted College Savings Bank's methodology and created the Florida Prepaid Postsecondary Education Expense Board (the Board) to issue similar financing options to its own residents. Consequently, College Savings Bank filed two separate actions seeking damages from the Board. In the first action, *Florida Prepaid v. College Savings Bank*, College Savings Bank filed a claim for patent infringement against the Board under the PRCA.[50] In the second action, *College Savings Bank v. Florida Prepaid*, College Savings Bank filed a claim alleging false and misleading advertising by the Board under the TRCA.[51] In defense, the Board argued that both the PRCA and the TRCA were an improper attempt by Congress to abrogate state sovereign immunity. The United States intervened in both cases in support of College Savings Bank.

The principal issue in *Florida Prepaid* was whether the PRCA had legitimately abrogated state sovereign immunity from suit for patent infringement. College Savings Bank argued that Congress had lawfully done so pursuant to the due process clause by ensuring an individual an adequate remedy in the case of a deprivation of property perpetrated by the state in the form of patent infringement. The Board responded that the PRCA was passed pursuant to Congress's enumerated Article I powers, rather than its powers under the Fourteenth Amendment, and therefore constituted invalid abrogation under *Seminole Tribe*. The district court agreed with College Savings Bank and denied the Board's motion to dismiss. The Federal Circuit Court affirmed, holding that "Congress had clearly expressed its intent to abrogate the States' immunity ... and that Congress had the power under § 5 of the Fourteenth Amendment to do so."[52] The PRCA had specifically made "States, instrumentalities of States, and officers and employees of

[44] 893 F. 2d 331, 334 (Fed. Cir. 1990).

[45] P.L. 101-553, 104 Stat. 2749 (1990) (codified at 17 U.S.C. § 511).

[46] P.L. 102-542, 106 Stat. 3568 (1992) (codified at 15 U.S.C. § 1125(a)).

[47] P.L. 102-560, 106 Stat. 4230 (1992) (codified at 35 U.S.C. §§ 271(h), 296(a)).

[48] *Florida Prepaid* diverged from *College Savings Bank* at the appellate level because the U.S. Court of Appeals for the Federal Circuit retains exclusive appellate jurisdiction over patent cases. 28 U.S.C. § 1295(a).

[49] Florida Prepaid Postsecondary Educ. Expense Bd. v. College Savings Bank, 527 U.S. 627 (1999); College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666 (1999).

[50] 527 U.S. 627 (1999).

[51] 527 U.S. 666 (1999).

[52] *Florida Prepaid*, 527 U.S. at 633.

States acting in their official capacity, [] subject to suit in Federal court by any person for infringements of patents."[53]

However, the Supreme Court overturned the Federal Circuit decision, holding that the PRCA was *not* a valid use of the § 5 enforcement power of the Fourteenth Amendment and therefore *not* a legitimate abrogation of state sovereign immunity.[54] In reaffirming that Congress may not abrogate state sovereign immunity pursuant to Article I powers, the Court applied its holding in *City of Boerne v. Flores*[55] to determine whether the PRCA was aimed at securing property protections guaranteed under the Fourteenth Amendment rather than passed pursuant to Article I, § 8, clause 8.[56] While admitting that patents were "property" protected by the due process clause, the Court held that because Congress had not shown sufficient evidence of a "widespread and persisting deprivation of constitutional rights" nor adequately considered the availability of alternative remedies under state law, the PRCA was "so out of proportion to a supposed remedial or preventive object that [it] cannot be understood as responsive to, or designed to prevent, unconstitutional behavior."[57]

The principal issue in *College Savings Bank* was whether the state of Florida had indirectly waived sovereign immunity by electing to engage in a federally regulated activity knowing that such conduct would subject it to suit under federal law. College Savings Bank argued that Congress had lawfully abrogated state sovereign immunity in trademark infringement actions through the TRCA. Alternatively, College Savings Bank argued that Florida had waived sovereign immunity by voluntarily engaging in the "activity of selling and advertising a for-profit educational investment vehicle in interstate commerce after being put on notice by the clear language of the TRCA that it would be subject to ... liability for doing so."[58] The district court was not swayed by College Savings Bank's arguments and dismissed the case. The Court of Appeals for the Third Circuit affirmed.

The Supreme Court affirmed the dismissal, holding that Florida's actions did not constitute waiver. The Court first brushed aside the petitioner's abrogation argument, reasoning that neither of the TRCA's false or misleading advertising provisions related to interests that would qualify as property interests protected by the due process clause,[59] and were therefore not passed pursuant to the Fourteenth Amendment.[60] The Court devoted a large part of its opinion to rejecting College Savings Bank's argument that Florida had waived sovereign immunity through its knowing participation in an activity that would subject it to suit under the TRCA. The majority refused to recognize any form of constructive waiver in sovereign immunity; instead, waiver could only be

[53] *Id.* at 632.

[54] *Id*. at 647.

[55] 521 U.S. 507 (1997) (holding that the Religious Freedom Restoration Act of 1993 exceeded Congress's authority under § 5 of the Fourteenth Amendment).

[56] "To promote the Progress of Science and useful Arts, by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. Art I, § 8, cl. 8.

[57] *Florida Prepaid*, 527 U.S. at 645-46 (citing *City of Boerne*, 521 U.S. at 526, 532).

[58] College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666, 680 (1999).

[59] The Court explained that while trademarks are constitutionally cognizable property interests in which their owners have the right to exclude others from using them, "no decision of this Court (or of any other court, for that matter) recogniz[es] a property right in freedom from a competitor's false advertising about its own products." *Id.* at 673.

[60] *Id*. at 672.

found where the state voluntarily invoked federal jurisdiction, or where the "state makes a clear declaration that it intends to submit itself" to federal jurisdiction.[61] Florida had done neither.

As a result of *Florida Prepaid* and *College Savings Bank*, the Eleventh Amendment currently bars an individual from successfully seeking damages from a state for federal patent—and likely copyright and trademark—infringement,[62] unless the state has clearly consented to the suit through waiver, or Congress has successfully abrogated state sovereign immunity pursuant to a valid use of its legislative power under the Fourteenth Amendment. The specifics of these two avenues that would permit a state to be sued—waiver and abrogation—are discussed in detail below.

State Waiver of Sovereign Immunity

Although state sovereign immunity is a "personal privilege which it may waive at [its] pleasure," the Court will only recognize waiver in instances where the state has explicitly shown its intent to waive immunity.[63] The *College Savings Bank* Court held that waiver would only be legitimate where "the State voluntarily invoke[d] our jurisdiction," or where "the State makes a 'clear declaration' that it intends to submit itself to our [the federal court's] jurisdiction."[64] For example, consent to suit in a state's own courts does not translate into a waiver of immunity in federal court because it does not constitute a clear declaration of waiver of immunity in the federal system. Illustrating the importance of state sovereign immunity, the Court equated the requirements for waiver of sovereign immunity by a state to the requirements for waiver of a protected constitutional right by an individual.[65]

In order to convey the seriousness with which the Court would approach the standard for waiver of a state's right to immunity in federal court, the majority opinion in *College Savings Bank* specifically overturned existing precedent relating to waiver implied by the state's actions rather than through express consent. At issue in *Parden v. Terminal R. of Ala. Docks Dept.* was a statute Congress had passed that authorized employment discrimination suits by employees of any employer operating a railroad in interstate commerce.[66] The *Parden* Court held, against a strong dissent, that by "operating a railroad in interstate commerce, Alabama must be taken to have accepted that condition and thus to have consented to suit."[67] By participating as a common

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[61] *Id.* at 676.

[62] As explained above, *College Savings Bank* concerned only the false and misleading advertisement provisions of the federal Lanham Act, 15 U.S.C. § 1125(a), and not the provisions of the Lanham Act that pertain to infringement of trademarks. Thus, the Supreme Court did not definitively rule on the issue of trademark infringement and state sovereign immunity, nor has it opined on this matter in any other subsequent case. The Court has also not directly addressed the issue of state liability for copyright infringement. However, a federal court of appeals has applied *Florida Prepaid* in holding that the Copyright Remedy Clarification Act was an improper exercise of congressional power. Chavez v. Arte Publico Press, 204 F.3d 601, 607 (5th Cir. 2000). Similarly, a federal district court has ruled that the Trademark Remedy Clarification Act is unconstitutional as far as its authorization of trademark infringement lawsuits against states. Board of Regents of the Univ. of Wisconsin System v. Phoenix Software Int'l, Inc., 565 F.Supp.2d 1007 (W.D. Wis. 2008). *See* the discussion of these lower court cases *infra.*

[63] *College Savings Bank*, 527 U.S. at 675 (citing Clark v. Barnard, 108 U.S. 436, 447 (1883)).

[64] *Id.* at 676.

[65] *Id.* at 682 (citing Johnson v. Zerbst, 304 U.S. 458, 464 (1938) (stating that waiver requires "[a]n intentional relinquishment or abandonment of a known right or privilege.")).

[66] 377 U.S. 184 (1964).

[67] *Id.* at 192.

carrier in interstate commerce the State had impliedly, or constructively, waived sovereign immunity.

The petitioner in *College Savings Bank* used the *Parden* precedent to argue that Florida, "by engaging in the ... activity of selling and advertising a for-profit educational investment vehicle in interstate commerce" with the knowledge that doing so would subject it to suit under the TRCA, had impliedly waived its immunity.[68] The Court refused to accept the argument. After outlining the many cases that had narrowed the legitimacy of constructive waiver under *Parden*, the Court expressly overruled the *Parden* "anomaly": "There is little reason to assume actual consent based upon the State's mere presence in a field subject to congressional regulation."[69] Even where a state is on notice that participation in a given field could subject it to suit under federal law, merely entering the regulated field does not amount to a voluntary decision to waive immunity.

In overruling *Parden*, *College Savings Bank* made clear that a federal court would require explicit evidence of an intent to waive sovereign immunity before allowing a case against a state to proceed. While this case barred the recognition of an implied waiver based on general state participation in a regulated field, other cases have wrestled with the extent to which states may invoke federal court jurisdiction and waive immunity by voluntarily participating in legal proceedings.

The Supreme Court has held that a state voluntarily invokes a federal court's jurisdiction, and waives sovereign immunity, where the state voluntarily removes a case from state court to federal court.[70] In *Lapides v. Board of Regents,* the Court clearly distinguished between the repudiated *Parden*-style constructive waiver, and waivers effected by affirmative litigation conduct, such as removal.[71] Paul Lapides, a professor at the University of Georgia had brought suit against the Board of Regents of the University System of Georgia for violation of state and federal civil rights law. The state of Georgia joined with their co-defendants to remove the case to federal district court and asked for a dismissal of the claims under state sovereign immunity. The Court, limiting its holding to those situations in which a state has expressly waived immunity in the underlying state court proceedings, held that where a state voluntarily removes a case to federal court it engages in affirmative litigation conduct sufficient to waive sovereign immunity. In reaching its holding, the Court expressed concern over the "unfair tactical advantages" and "selective use of immunity" that a state would enjoy by removing a case to federal court.[72] *Lapides*, however, left unclear exactly what "affirmative litigation conduct" would qualify as waiver.

The Federal Circuit Court of Appeals entered the fray in a 2002 case, holding that a state participates in affirmative litigation conduct sufficient to waive sovereign immunity when the state initiates the legal proceedings. In *Vas-Cath Inc. v. Univ. of Missouri*, the University of Missouri had initiated an administrative proceeding known as an interference action within the U.S. Patent and Trademark Office (PTO) to clarify a dispute with Vas-Cath over ownership of a patent.[73] Following six years of proceedings, the PTO issued an order granting ownership of the

[68] *College Savings Bank,* 527 U.S. at 680.

[69] *Id.*

[70] Lapides v. Board of Regents of Univ. System of Georgia, 535 U.S. 613 (2002).

[71] *Id.*

[72] *Id.* at 620.

[73] 473 F.3d 1376 (Fed. Cir. 2007).

patent to the university. As authorized by law, Vas-Cath appealed the PTO decision to the United States District Court for the District of Columbia. The university had the case transferred to Missouri where the federal district court granted its motion to dismiss on the grounds of Eleventh Amendment sovereign immunity.

On appeal, the Federal Circuit reversed the district court decision, holding that where a state initiates an administrative proceeding with ensuing judicial review, the state "cannot both retain the fruits of that action and bar the losing party from its statutory right of review."[74] By voluntarily commencing and participating in the PTO interference action, the state had waived its privilege of sovereign immunity with respect to judicial review of that decision in federal court. The appellate court grounded its decision on the Supreme Court's previously expressed concern over the "selective use of immunity to achieve litigation advantages."[75] The court held it would be unfair and inconsistent to allow the state, in one continuous action, to invoke sovereign immunity "to shield the agency decision from review."[76] Where a state becomes a party in a legal proceeding that it voluntarily initiated, the state has "submitted its rights for judicial determination" and may not escape the proceedings under the auspices of the Eleventh Amendment until the statutorily guaranteed judicial review is exhausted.[77]

Later that year, the Federal Circuit limited its decision in *Vas-Cath* and refused to extend the doctrine of waiver by affirmative litigation conduct to *separate* lawsuits. The Court affirmed the rule that a state's waiver of immunity through litigation conduct in one case does not extend to a separate, future action. In *Biomedical Patent Management Corp. v. California Dept. of Health Services,* a private contractor employed by California's Department of Health Services (DHS) had sued Biomedical in 1997 in the U.S. District Court for the Northern District of California for a declaratory judgment stating that the contractor's pregnancy screening program did not infringe a Biomedical patent.[78] DHS intervened in that action, also seeking a declaration of non-infringement, and Biomedical responded with a counterclaim in favor of patent infringement. The 1997 case was eventually dismissed for lack of venue. Biomedical re-filed its infringement claim in 1998, but the U.S. District Court for the Southern District of California dismissed the case pending the Supreme Court's determination of *Florida Prepaid* and *College Savings Bank*. Finally, in 2007, Biomedical again re-filed its claim against DHS, at which time DHS filed a motion to dismiss the case on state sovereign immunity grounds that was subsequently granted by the district court.

The Federal Circuit affirmed the district court's decision to grant the state's motion for dismissal under the Eleventh Amendment. The appellate court held that California had clearly waived sovereign immunity in the 1997 case and voluntarily submitted itself to the federal court's jurisdiction by intervening in the non-infringement action.[79] The question the court had to answer, however, was whether the waiver in the 1997 case would carry over and extend to the 2006 case involving the same parties and litigating the same subject matter. The Federal Circuit, after a thorough survey of state sovereignty waiver jurisprudence, determined that waiver could not

[74] *Id.* at 1385.

[75] *Lapides*, 535 U.S. at 620.

[76] *Vas-Cath*, 473 F.3d at 1384.

[77] *Id.* at 1383.

[78] 505 F.3d 1328 (Fed. Cir. 2007).

[79] *Id.* at 1333 ("By intervening and asserting claims against BPMC in the 1997 lawsuit, DHS voluntarily...waived its sovereign immunity for purposes of that lawsuit.").

carry over to a separate lawsuit, and that "any waiver, including one effected by litigation conduct, must be 'clear.'"[80] As it had in *Vas-Cath*, the court recognized Biomedical's concerns of unfairness, inconsistency, and selective use of immunity, but the court would not extend waiver through litigation conduct to separate legal proceedings.

The Federal Circuit clearly differentiated between waiver scenarios consisting of one continuous action and those consisting of separate actions. Biomedical looked to *Lapides*, *Vas-Cath*, and *New Hampshire v. Ramsey*[81] as precedent for finding waiver through litigation conduct where a state voluntarily submits itself to the jurisdiction of a federal court. The court rejected the argument, pointing out that none of the cases Biomedical cited supported the extension of state waiver to a separate action. Instead, all had "involve[d] the application of a state's waiver of immunity in the same continuous proceeding."[82] The court did acknowledge the existence of situations in which concerns of unfairness, inconsistency, and selective use of immunity would be so significant as to outweigh the court's policy not to extend waiver to a separate legal action. No similar concerns existed in the *Biomedical* case, however, that were sufficient to "preclude" DHS from asserting immunity.[83]

In addition to some forms of litigation conduct, state sovereign immunity may also be waived where the state specifically submits itself to the jurisdiction of a federal court through a provision of an enforceable contract. In *Baum Research and Developmental Co., Inc., v. Univ. of Mass. at Lowell*, a dispute arose over a contract the University of Massachusetts had entered into with Baum Research relating to the firm's patented device for testing baseball bats.[84] The two parties formed a "Confidential License Agreement" for the use of the patented device, which included a governing law provision stating that all parties "agree to proper venue and hereby submit to jurisdiction in the appropriate State or Federal courts."[85] The court held this contract provision to be "a clear and unambiguous consent to the jurisdiction of a Michigan federal court for disagreements arising from this licensing agreement."[86] Although general consent provisions are not sufficient to waive sovereign immunity, this provision was clear and unequivocal as to the obligation of the state to submit to the jurisdiction of the federal court in the case of a future dispute.

However, a state that participates in the federal trademark system or that files a civil action in a federal court seeking review of a decision of the Trademark Trial and Appeal Board of the PTO does *not* waive its sovereign immunity, according to the federal district court in *Board of Regents of the Univ. of Wisconsin System v. Phoenix Software Int'l, Inc.*[87] This opinion involved the Trademark Trial and Appeal Board's (TTAB's) decision to cancel a federal trademark that had been registered by the Board of Regents of the University of Wisconsin System. A software manufacturer had filed a petition with the TTAB seeking the cancellation, asserting that the Board of Regents' mark was similar to the one that it used for its software for computers. The TTAB

[80] *Id.* at 1341.

[81] 366 F.3d 1 (1st Cir. 2004) (holding that a state voluntarily invokes federal jurisdiction in a continuous action where the state participates in an administrative proceeding that provides for judicial review).

[82] *Id.* at 1338.

[83] *Id.* at 1340 ("The same considerations of unfairness and inconsistency ... simply are not present in the case at bar.").

[84] 503 F.3d 1367 (Fed. Cir. 2007).

[85] *Id.* at 1368.

[86] *Id.* at 1372.

[87] 565 F.Supp.2d 1007 (W.D. Wis. 2008).

granted the petition, prompting the Board of Regents to appeal the decision to the federal district court. After the software manufacturer filed a counterclaim against the Board of Regents for trademark infringement related to the university's use of the mark, the university moved to dismiss the counterclaim on the grounds that the university is a branch of the State of Wisconsin and thus entitled to sovereign immunity.[88]

The federal court granted the motion and dismissed the software manufacturer's counterclaim. In reaching these decisions, the court first examined the validity of Congress's attempt to abrogate state immunity from trademark infringement suits pursuant to the Trademark Remedy Clarification Act. Noting that the Supreme Court's decision in *College Savings Bank* considered only the liability of states for claims brought under the false and misleading advertisement provisions of the federal Lanham Act, and not the statute's trademark infringement provisions, the district court concluded that "[i]t is unlikely the [Supreme] Court would reach a different conclusion in trademark litigation."[89] Citing that the TRCA's legislative history had not found a pattern of trademark infringement by the states and that it had not seriously discussed Fourteenth Amendment concerns to justify abrogation, the federal court ruled that the TRCA is not "congruent and proportional" to any Fourteenth Amendment injury and thus the TRCA was unconstitutional and fails to abrogate state immunity from trademark infringement suits.[90] With respect to the waiver issue, the district court explained that the State of Wisconsin has not "constructively waive[d]" its immunity by participating in the federal trademark system. While acknowledging that *College Savings Bank* had held that Congress may condition a "gift" on the waiver (such as a grant of funds to the state upon waiver of immunity), the Trademark Remedy Clarification Act does not condition a state's receipt of a federal trademark registration on a waiver of sovereign immunity; rather, the court explained, the TRCA "seeks to expose *all* states to liability, regardless of their participation in the federal trademark system."[91] The court also determined that Wisconsin had *not* waived its immunity by appealing the TTAB's cancellation decision to a federal court, because its invocation of federal jurisdiction was not voluntary. Here, the software manufacturer had initiated the administrative proceedings by petitioning the TTAB to cancel the state's trademark, and the state was "simply ... contesting unfavorable decisions in suits brought against it."[92]

The Supreme Court set the standard for waiver of state sovereign immunity in *College Savings Bank*: "Generally, we will find a waiver either if the State voluntarily invokes [a federal court's] jurisdiction, or else if the State makes a 'clear declaration' that it intends to submit itself to our jurisdiction."[93] A state must clearly submit itself to federal jurisdiction and cannot constructively or impliedly waive its sovereign immunity. The Federal Circuit and other federal district courts have interpreted this rule to validate waiver where a state voluntarily removes a case to federal court; where a state voluntarily initiates and participates in the litigation; where the case is part of one continuous action in which the state previously waived its immunity; where a state enacts legislation waiving its sovereign immunity; or where a state enters a contract containing a provision in which the state specifically submits to federal court jurisdiction in the case of a

[88] *Id.* at 1009.

[89] *Id.* at 1010.

[90] *Id.* at 1013.

[91] *Id.* (emphasis in original).

[92] *Id.* at 1014.

[93] *College Savings Bank*, 527 U.S. at 675-76.

dispute. Absent these forms of clear waiver, a state does not relinquish its privilege of sovereign immunity under the Eleventh Amendment.

Congressional Abrogation of State Sovereign Immunity

Although state sovereign immunity is a common law privilege preserved by the Eleventh Amendment, under limited situations Congress may abrogate, or override, state immunity in a given subject matter. In *Seminole Tribe*, the Supreme Court held that Congress could not abrogate state sovereign immunity through a statute passed pursuant to any of its Article I powers. However, the Court left the door open for abrogation by statutes passed pursuant to the § 5 legislative enforcement power of the Fourteenth Amendment. This signifies that any attempt by Congress to abrogate state sovereign immunity must find a basis in the Fourteenth Amendment. In order for a statute to be passed pursuant to Congress's § 5 power, the means adopted must be congruent and proportional to the remedy of a due process, equal protection, or privileges and immunities injury.

The Court in *Florida Prepaid* held that the PRCA was passed pursuant to Congress's Article I powers, rather than its § 5 power, and was therefore an invalid abrogation of state sovereign immunity. Although the Court acknowledged that patents were "property" under the due process clause, Congress had failed to satisfy the "congruence and proportionality" test used in *City of Boerne v. Flores* to define the scope of the § 5 enforcement power.[94] In considering what measures can be taken to prevent constitutional violations, the *City of Boerne* Court held that "there must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end."[95] In order to show the required proportionality, Congress must identify conduct transgressing the Fourteenth Amendment's substantive provisions, and must tailor its legislative scheme to remedying or preventing such conduct. The *Florida Prepaid* Court applied the *City of Boerne* test to the PRCA and found the evidence of patent infringements by the states to be lacking: "Congress identified no pattern of patent infringement by the states, let alone a pattern of constitutional violations."[96] The record reflected the existence of only eight patent infringement actions against the states "in the 110 years between 1880 and 1990."[97] Without evidence of widespread or pervasive infringements by the states, the Court was unwilling to justify the abrogation of state sovereign immunity under the PRCA.

Additionally, Congress had failed to adequately consider the availability of state law remedies. The Court explained that mere patent infringement by the state does not violate the due process clause; rather, "only where the state provides no remedy, or only inadequate remedies, to injured patent owners for its infringement of their patent could a deprivation of property without due process result."[98] Where the state provides an adequate remedy, or the necessary process prior to infringing a patent, there is no violation of due process. Any statute that abrogated state sovereign immunity in a situation where the patent infringement did not amount to a constitutional violation of due process would thus be overboard. The record showed Congress had "barely considered"

[94] *Id.* at 654 (citing *City of Boerne*, 521 U.S. 507).

[95] *City of Boerne,* 521 U.S. at 520.

[96] *Florida Prepaid*, 527 U.S. at 640.

[97] *Id.*

[98] *Id.* at 643.

the availability of state remedies to patent infringements by the state.[99] Because Congress had not presented sufficient evidence of widespread and persisting deprivations of constitutional rights, had not adequately considered the availability of state remedies, and had not adequately tailored its legislation to cover only those patent infringements by the state that constituted constitutional violations, the PRCA was "so out of proportion to a supposed remedial or preventive object" as to be considered an invalid use of the § 5 enforcement power.[100] Thus, the abrogation provision of the PRCA was held to be invalid.

In 2000, the Fifth Circuit elaborated on the *Florida Prepaid* abrogation standard and applied the precedent to copyright law. In *Chavez v. Arte Publico Press,*[101] the plaintiff sued the University of Houston for copyright infringement under the CRCA for publishing the plaintiff's book without her consent. Relying on *Florida Prepaid*, the university invoked sovereign immunity as a defense. The court quickly recognized that a copyright, similar in nature to a patent, was a form of property protected by the Fourteenth Amendment and with no waiver argument made, the only question for the court was whether the abrogation provision of the CRCA was within the scope of Congress's § 5 enforcement power and therefore a valid abrogation of state sovereign immunity under *Florida Prepaid.* In holding that the CRCA, "doomed in the wake of *Florida Prepaid*," was not a valid use of Congress's § 5 power, the court gleaned a functional three-part test from the Supreme Court's *Florida Prepaid* decision.[102]

First, the court must consider the nature of the injury and whether "the state's conduct evinced a pattern of constitutional violations."[103] Congress, as it had for the PRCA in *Florida Prepaid*, had failed to provide sufficient evidence of widespread and unremedied copyright infringement by the states. The record only contained seven instances in which a state utilized the Eleventh Amendment as a defense to copyright infringement. The legislative record demonstrated that Congress's principal concern was over the "potential for future abuse," a worry not sufficient to establish the required "pattern" of infringement by the states.[104] Second, the court must consider whether "Congress studied the existence and adequacy of state remedies for injured copyright owners when a state infringes their copyright."[105] In the case of the CRCA, the Fifth Circuit held that Congress had "barely considered the availability of state remedies for infringement."[106] The court noted there was little documentation by Congress of state contract or takings remedies, and Congress had refused to consider the possibility of granting states concurrent jurisdiction over copyright claims. Finally, the court must consider the breadth of coverage of the legislation. *Florida Prepaid* made clear that not all patent infringements violate the Constitution. A negligent patent infringement for instance, as opposed to an intentional violation, would not constitute a violation of due process. In *Chavez*, the court reasoned that because copyright infringement required no finding of an intent to infringe, any valid abrogation statute would have to limit its

[99] *Id*.

[100] *Id*. at 646 (citing *City of Boerne*, 521 U.S. at 532).

[101] 204 F.3d 601 (5th Cir. 2000).

[102] *Id*. at 608.

[103] *Id*. at 605.

[104] *Id*. at 606.

[105] *Id*.

[106] *Id*.

scope to include only intentional property infringements by the states that amounted to a violation of due process.[107]

Florida Prepaid, *Chavez*, and other cases have not completely closed the door on federal abrogation of state sovereign immunity in the intellectual property realm. If Congress could show a substantial increase in intentional intellectual property infringements by the states, perhaps the courts would reconsider the existence of a widespread pattern of infringement and uphold an abrogation attempt. Ten years after *Florida Prepaid*, however, the United States District Court for the Southern District of California ruled that, as of 2008, the frequency of state infringements still did not warrant federal abrogation of state sovereign immunity.[108] In *Marketing Information Masters v. The Board of Trustees of the California State University*, plaintiffs brought suit against the California State University for copyright infringement relating to the school's use of a community impact study for the 2004 Holiday Bowl in San Diego. The district court upheld the state's claim to sovereign immunity and granted the state's motion to dismiss. The court applied the standards of the Supreme Court's rulings in *City of Boerne* and *Florida Prepaid,* and cited the Fifth Circuit's holding in *Chavez,* in ruling that the CRCA was not passed pursuant to a legitimate exercise of the Fourteenth Amendment and therefore did not constitute a valid abrogation of state sovereign immunity.

Although the updated record showed eight recent cases of state infringement of copyrights, the evidence "demonstrated at most sporadic violations, not widespread violations by states."[109] The district court was unable to find the "pattern of unremedied conduct" required under *City of Boerne* for a valid exercise of Congress's Fourteenth Amendment enforcement powers.[110] The district court also found that Congress had failed to adequately consider state remedies and had not sufficiently tailored the CRCA to address only conduct that violates the due process clause.[111] Once again, the courts had made clear that constitutional violations relating to intellectual property infringements by the states were not so pervasive as to warrant abrogation of state sovereign immunity by Congress.

Prospective Injunctive Relief

With Congress unable to successfully abrogate state sovereign immunity, an individual may only recover damages where a state has "unequivocally" expressed its consent to suit through a clear waiver. There are, however, limited alternative remedies available for individuals in those situations where the state has not waived its immunity. While an aggrieved party may be able to recover monetary damages under state contract, conversion, or takings law, the most likely relief for a plaintiff in these situations would be to sue an individual state officer in his or her official capacity for prospective injunctive relief.

[107] *Id.* at 607 ("[A] deprivation, to fit the meaning of the due process clause, must be intentional; a negligent act that causes unintended injury is not sufficient.").

[108] Marketing Information Masters v. The Board of Trustees of the California State University, 552 F.Supp.2d 1088 (S.D. Cal. 2008).

[109] *Id.* at 1094.

[110] *Id.*

[111] *Id.*

The Eleventh Amendment does not bar suits for prospective injunctive relief against state officials acting in violation of federal law.[112] Although this provides no avenue to recover monetary damages, an individual may obtain a court order forcing state officials to cease their unlawful conduct. In *Ex Parte Young*, the Supreme Court established this prospective remedy in order to mitigate wrongs resulting from the state sovereign immunity defense, and to prevent continued violations of federal law by state officials.[113] To satisfy the *Ex Parte Young* standard, the injured party must allege an ongoing violation of federal law, seek only prospective relief, and establish that the officer has "some connection with the enforcement of the [illegal] act."[114] Where the plaintiff satisfies this standard, a federal court may enter an injunction stopping the state official from acting in contravention of federal law.[115] However, the Court has not made the *Ex Parte Young* exception available to plaintiffs in all instances of the violation of federal law by a state official.

In 2006, the Federal Circuit considered the application of the *Ex Parte Young* approach to remedy state violations of federal patent law. In *Pennington Seed v. Univ. of Arkansas*, the plaintiff initially brought suit against the University of Arkansas for patent infringements related to Pennington's non-toxic feed grass.[116] The district court dismissed the case on the basis of the university's Eleventh Amendment immunity. Pennington subsequently amended its complaint, dropped the university as a defendant, and filed its claim for patent infringement against four individual university officials; the chairman of the university board, the president of the university, the chancellor of the university, and a professor. The district court again dismissed the amended complaint on Eleventh Amendment grounds.

In affirming the district court's decision, the Federal Circuit held that the plaintiff had failed to establish a sufficient nexus between the named officials and the enforcement of the illegal act.[117] This connection must be more than a general obligation to prevent the violation, the court explained; otherwise the individual is simply being sued as a representative of the state.[118] Although the officials named in the complaint may have had a general obligation to oversee the university's patent policy, they themselves did not violate any federal law. Plaintiffs could not show a sufficient causal connection between the named officials and the violation of federal patent law. Additionally, even if the officials had neglected their duty to the university to supervise the school's use of patents, a court can only enjoin activity that violates federal law; it cannot mandate that a state official "perform his or her duty under state law."[119] Although the

[112] Pennington Seed, Inc. v. Produce Exchange No. 299, 457 F.3d 1334, 1341 (Fed Cir. 2006).

[113] 209 U.S. 123 (1908).

[114] *Id*. at 157.

[115] Oxford University Press, Cambridge University Press, and Sage Publications recently filed a complaint for declaratory judgment and injunctive relief in the U.S. District Court for the Northern District of Georgia against four individual Georgia State officials. The publishers seek to gain an injunction to stop the school from using the publishers' copyrighted digital course packs. *See*, Katie Hafner, *Publishers Sue Georgia State on Digital Reading Matter*, N.Y. TIMES, Apr. 16, 2008, at C2.

[116] *Pennington Seed*, 457 F.3d at 1337-38.

[117] *Id.* at 1342 ("[A] nexus between the violation of federal law and the individual accused of violating that law requires more than simply a broad general obligation to prevent a violation; it requires an actual violation of federal law by that individual.").

[118] *Id.* at 1342-43 ("There must be a connection between the state officer and the enforcement of the act or else the suit will merely make him a representative of the state and therefore improperly make the state a party to the suit.").

[119] *Id*. at 1343.

court may stop an illegal action, it cannot mandate action unless an affirmative duty to act is created by federal law. No such duty existed in *Pennington Seed*.

The Legislative Response

In the years following *Florida Prepaid* and *College Savings Bank*, Congress repeatedly attempted to provide individuals with ways to recover from the states for intellectual property infringement. In 1999, 2001, 2002, and 2003, Representative Lamar Smith, Senator Patrick Leahy, and Representative Howard Coble each introduced the "Intellectual Property Protection Restoration Act" (the Act) in their respective chambers.[120] The proposed law presented a three-pronged approach to providing a remedy for intellectual property rights holders against states that engage in infringement.

The first prong would have amended federal copyright, patent, and trademark laws to bar a state from recovering for the infringement of a state-owned patent, trademark, or copyright unless the state had previously waived its Eleventh Amendment sovereign immunity and consented to suit under federal intellectual property law.[121] The Act would have used affirmative waiver as a condition to the state's receipt of damages under federal intellectual property law. By requiring states to first waive their Eleventh Amendment immunity in the intellectual property area before enjoying the protections of federal intellectual property law, this provision created "reasonable incentives" for states to waive immunity without "oblig[ing] them to do so."[122]

This provision raised some constitutional concerns as to the apparent voluntariness of the states' decision to waive their sovereign immunity. Critics argued that the waiver provision was simply a veiled attempt at the same congressional abrogation of state sovereign immunity struck down by the Court in *Florida Prepaid* and *College Savings Bank*.[123] The state's strong financial interest in protecting its intellectual property may make the option of either waiving immunity or relinquishing recovery for property infringements a forced waiver.[124] Critics also argued that the Act violated the doctrine of unconstitutional conditions, which at its core means "the government may not require a person to give up a constitutional right ... in exchange for a discretionary benefit conferred by the government."[125] The Act asked states to give up their constitutional right to state sovereign immunity in exchange for the benefits of federal intellectual property protections. Proponents of the Act responded by drawing a parallel to the use of Congress's spending power. Senator Leahy, who introduced the Senate companion bill, argued before the Senate Committee on the Judiciary that much like attaching a condition to the receipt of federal funds, Congress could attach a condition to the receipt of federal intellectual property benefits.[126]

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[120] S. 1835, 106th Cong. (1999); S. 1611, 107th Cong. (2001); H.R. 3204, 107th Cong. (2001); S. 2031, 107th Cong. (2002); S. 1191, 108th Cong. (2003); H.R. 2344, 108th Cong. (2003).

[121] H.R. 2344, 108th Cong., § 3.

[122] *Sovereign Immunity and the Protection of Intellectual Property: Hearing Before the S. Comm. on the Judiciary,* 107th Cong. (2002) (statement of Sen. Patrick Leahy).

[123] *Sovereign Immunity and the Protection of Intellectual Property: Hearing Before the S. Comm. on the Judiciary,* 107th Cong. (2002) (statement of William E. Thro, General Counsel, Christopher Newport University) (the act would "permit Congress to circumvent the antiabrogation holding of *Seminole Tribe*").

[124] *Id.* ("Threatening to exclude the state from enforcing its legitimate intellectual property rights transforms the supposed 'choice' into outright coercion.")

[125] *Id.*

[126] *Sovereign Immunity and the Protection of Intellectual Property: Hearing Before the S. Comm. on the Judiciary,* (continued...)

The second prong of the Act would have guaranteed an individual's right to sue a state official in his individual capacity for violation of federal intellectual property law.[127] The provision would have statutorily reinforced the rights provided in *Ex Parte Young*: mainly, the ability of an individual, notwithstanding the Eleventh Amendment, to obtain prospective injunctive relief, and monetary damages where applicable,[128] against a state official. The Act would have clarified any confusion by reviewing courts as to the applicability of *Ex Parte Young* to suits against a state for intellectual property infringement.

The final prong of the bill would have abrogated state sovereign immunity in limited circumstances. The abrogation provision of the Act was tailored directly to the concerns presented by the Justices in *Florida Prepaid* and *College Savings Bank*. The Act specifically limited abrogation to those instances where the property infringement constitutes a violation of the due process clause of the Fourteenth Amendment or the takings clause of the Fifth Amendment.[129] The abrogation provision was narrowly tailored to only include infringements amounting to constitutional violations in an attempt to ameliorate the Supreme Court's concern over the "scope" of the previous abrogation provisions found in the CRCA, TRCA, and PRCA. Critics argued, however, that this provision of the Act still would not amount to a valid abrogation of state sovereign immunity, contending that regardless of the narrowly tailored statute, the instances of unremedied intellectual property infringements by the states simply do not occur with the frequency required to classify abrogation as a use of the Fourteenth Amendment enforcement power.

The Act never made it out of committee. The 1999 Senate bill was referred to the Committee on the Judiciary and never acted upon. In 2002, the Senate Committee held hearings on the issue, but the bill never came to a vote. In 2003, the House Subcommittee on Courts, the Internet, and Intellectual Property again held hearings with no further action. Similar legislation has not been re-introduced in subsequent Congresses.

Potential Developments in the Relationship between State Sovereign Immunity and Intellectual Property

In early 2006, the new Roberts Court issued a ruling concerning bankruptcy law that triggered renewed questions relating to the application of state sovereign immunity. In *Central Virginia Community College v. Katz*, the Court held that in ratifying the Constitution, the states waived sovereign immunity as a defense to bankruptcy suits.[130] Relying on original intent and the legislative history of the bankruptcy clause, the Court reasoned that the Framers' concerns over a

(...continued)

107th Cong. (2002) (statement of Sen. Patrick Leahy) ("Either way, the power to attach conditions to the federal benefit is part of the greater power to deny the benefit altogether.").

[127] H.R. 2344, 108th Cong., § 4.

[128] In limited circumstances a plaintiff may recover money damages from the official rather than the state by suing a state official in his or her individual capacity. However, recovery is only available where the official is acting outside of their official capacity and where the official is not protected by qualified immunity (i.e., where the official's actions were a violation of "clearly established statutory or constitutional rights of which a reasonable person would have known"), Crawford-El v. Britton, 523 U.S. 574, 588 (1998).

[129] H.R. 2344, 108th Cong., § 5.

[130] 546 U.S. 356 (2006).

uniform bankruptcy system, which gave rise to the bankruptcy clause in Article I, § 8, superseded state sovereign immunity in that area.[131] The *Katz* Court did not validate the abrogation of state sovereign immunity under the Article I bankruptcy clause—relying instead on a historical waiver pertaining only to bankruptcy. Therefore, the case's effect on intellectual property law is unclear. The case did mark, however, a limitation on the dominance of state sovereign immunity over Congress's Article I powers. The Court did not consider the legislative history behind any of the other Article I, § 8 powers, and was careful not to venture into the realm of intellectual property.

With the departure of Justice O'Connor and Chief Justice Rehnquist, replaced by Justice Alito and Chief Justice Roberts, there is the potential for a shift in the Court's state sovereignty jurisprudence. *Florida Prepaid* and *College Savings Bank* were both 5-4 decisions with both Rehnquist and O'Connor in the majority. *Katz,* one of Chief Justice Roberts's early decisions after replacing Chief Justice Rehnquist*,* was also a 5-4 decision, with O'Connor siding with the majority and Roberts dissenting. Although both Roberts and Alito are considered to be state's rights advocates and would likely support a broader application of state sovereign immunity, the appearance of two new votes on a closely divided court may very well have unanticipated consequences.

Indeed, in April 2008, the Supreme Court indicated a possible desire to reconsider the relationship between state sovereign immunity and intellectual property by asking for the Solicitor General's opinion in relation to an appeal in *Biomedical Patent Management Corp. v. California Department of Health Services*.[132] As discussed above, *Biomedical* involved the potential waiver of sovereign immunity under federal patent law by a state through affirmative litigation conduct. On December 2, 2008, the Solicitor General filed a brief expressing the views of the United States as amicus curiae.[133] According to the Solicitor General's brief, certiorari was not warranted because

> The [Federal Circuit's] decision is consistent with decisions of this Court and it does not conflict with any decision of any other court of appeals. Moreover, this case presents a poor vehicle for addressing whether a State's waiver in one action extends to a subsequent action involving the same parties and the same underlying transaction or occurrence. The facts are not only unusual, but in light of the applicable limitations period, this case appears to involve alleged acts of infringe ment that occurred *after* the dismissal of the earlier suit.[134]

On January 12, 2009, the Supreme Court denied the petition for writ of certiorari in the *Biomedical* case.[135] Thus, it remains to be seen whether there will be further changes by the Supreme Court in the area of state sovereign immunity and intellectual property law.

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[131] *Id.* at 377 ("The ineluctable conclusion, then, is that States agreed in the plan of the Convention not to assert any sovereign immunity defense they might have had in proceedings brought pursuant to 'Laws on the subject of Bankruptcies.'")

[132] *Supreme Court Invites Government's Views on Petition in State Immunity Waiver Case*, PAT., TRADEMARK, & COPYRIGHT J., Apr. 25, 2008, at 671.

[133] U.S. Dep't of Justice, Office of the Solicitor General, *Brief for the United States as Amicus Curie,* No. 07-956, Biomedical Patent Management Corp. v. California Department of Health Services, *available at* http://www.usdoj.gov/osg/briefs/2008/2pet/6invit/2007-0956.pet.ami.inv.pdf.

[134] *Id.* at 5 (emphasis in original).

[135] *Biomedical Patent Management Corp.*, 2009 WL 56197 (U.S. Jan 12, 2009) (No. 07-956).

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