United States General Accounting Office

GAO Congressional Record, 101st Congress, Extension of Remarks

Bill	Date	Page(s)
H.R.3886	Jan 24, 1990 (2)	E40

Remarks: INTRODUCED BY MR. KASTENMEIER

PATENT REMEDY CLARIFICATION ACT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1990

Mr. KASTENMEIER. Mr. Speaker, today, together with my colleague, CARLOS MOORHEAD, the ranking minority member of my subcommittee—the Judiciary Committee Subcommittee on Courts, Intellectual Property, and the Administration of Justice—I am introducing the "Patent Remedy Clarification Act" to assure that patent owners can recover damages from States that infringe their patents, notwithstanding the provisions of the 11th amendment.

In the first session of this Congress, the House passed H.R. 3045, which I sponsored along with Mr. MOORHEAD and several of our colleagues on the subcommittee. That bill clarifies Congress' intent that States be subject to damage suits in Federal court for their violations of the Copyright Act. The bill that I am introducing today will assure that the same principle applies in patent law. Accordingly, it will be clear that Congress intends that State infringement of patent rights will make the State monetarily liable to the patentee.

Article 1, section 8, clause 8 of the U.S. Constitution grants Congress the explicit authority to promote the progress of science and the useful arts by granting inventors exclusive rights to their inventions. Pursuant to this authority, Congress enacted a patent statute in 1790, and has significantly revised that law three times—in 1793, 1836 and most recently in 1952. The Patent Act sets forth the requirements that must be met for the issuance of a patent, and the rights of the patent holder to protect against infringement, including the right to seek a remedy in Federal court.

In fact, the Federal courts have exclusive jurisdiction to decide patent infringement claims. However, in 1985 the Supreme Court held in Atascadero State Hospital versus Scanlon that absent a clear expression of congressional intent to the contrary, the 11th amendment prohibits individuals from recovering damages against States in Federal court.[1] While Atascadero was not a patent case, the U.S. Court of Appeals for the Federal Circuit recently ruled in Chew versus California [2] that the 11th amendment applies to cases brought by individuals against States for patent infringement, and it held that States are immune from damage suits in Federal court. Consequently, because a claim of patent infringement can only be brought in Federal court, the individual whose patent has been infringed by a State is deprived of the important remedy of damages.

The Supreme Court set forth a test to determine whether Congress intended in a particular statute to permit the recovery of damages against a State: "Congress may abrogate the State's constitutionally secured immunity from suit in Federal court only by making its intention unmistakably clear in the language of the statute." [3] Subsequent Supreme Court cases, decided this past term, expanded on the court's requirements for effective abrogation of the 11th amendment.

The legislative record does not reflect a congressional intent to exempt the States from damages for patent infringement. However, the Supreme Court rulings and the Court of Appeals for the Federal Circuit decision in Chew versus California, now require that we amend the patent laws to specifically declare that States are not immune from actions for damages under the 11th amendment. For this reason, the bill that Mr. MOORHEAD and I introduce today incorporates the Supreme Court's guidance. It makes it unmistakably clear that patentees can recover all available remedies against a State infringer and it specifically cites the monetary relief that Congress intended to make available against States.

My subcommittee will hold hearings to fully explore whether this proposed legislation will serve the public interest and what impact it will have on States, patent owners and the university community. The 11th amendment immunity is an important constitutional privilege afforded to the States, and Congress must not be indifferent about abrogating this right. Instead, we must examine the factual situation before us to determine whether there is a need to assure a remedy against States for patent infringement.

This bill has the strong support of the Patent and Trademark Office of the Department of Commerce, the American Bar Association, and the patent bar. It is part of an assemblage of important patent law revisions that my subcommittee is considering this Congress, including as well the patenting of transgenic animals and patents in space.

Congress should correct the current unintended immunity for States in the patent law just as it should in the Copyright Act. It is my understanding that Senator DECONCINI is planning to introduce a similar measure and we expect that the Senate will work with the House to assure that Congress' intent is adequately expressed in our patent and copyright laws.

I look forward to working with the members of my subcommittee and with other Members of this body on this proposed legislation.

---

[1] 473. U.S. 234 (1985).
[2] Civ. Act. No. 89-1390 (Fed. Cir. 1990).
[3] 473 U.S. at 242.