2002


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TOWARD A CONGRUENT AND PROPORTIONAL PATENT LAW: REDRESSING STATE PATENT INFRINGEMENT AFTER FLORIDA PREPAID v. COLLEGE SAVINGS BANK

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I. INTRODUCTION

SINCE June 29, 1999, the States have been free to infringe patents without incurring any liability under the federal patent laws. State law still applies to such infringement, assuming the State has waived its sovereign immunity or the patentee can claim an exemption to the doctrine's applicability. This gap in the coverage of the patent laws is the result of the Supreme Court's nullification of a federal law that held the States to the same standard as private litigants in patent-infringement suits. In Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank, a five-to-four decision authored by Chief Justice Rehnquist, the Court held that Congress exceeded its power under the Enforcement Clause of the Fourteenth Amendment when it enacted the Patent and Plant Variety Protection Remedy Clarification Act (the Patent Remedy Act or PRA).

Invoking the congruence and proportionality analysis first described in City of Boerne v. Flores, the Court scoured the legislative record for evidence that the States were violating the Constitution by depriving patentees of due process of law. Finding little evidence of unconstitutional behavior by the States, the Court noted that Congress had not even considered whether adequate remedies were available at the state level before subjecting the States to the jurisdiction of the federal courts at the behest of an aggrieved patentee. Consequently, the Court determined that the PRA was not responsive to or designed to prevent unconstitutional behavior and invalidated the purported abrogation of Eleventh Amendment immunity in patent infringement suits.

1. 527 U.S. 627, 630 (1999) [hereinafter Florida Prepaid].
3. 521 U.S. 507, 520 (1997) [hereinafter City of Boerne].
4. Florida Prepaid, 527 U.S. at 646–47.
5. Id. at 646.
6. The Eleventh Amendment, despite its narrow textual scope, has been interpreted to prohibit private suits against States, their political subdivisions and their instrumentalities. See Hans v. Louisiana, 134 U.S. 1 (1890) (finding private suits for damages against States to be barred by the Eleventh Amendment); Seminole Tribe of Fla. v. Florida, 517 U.S. 44 (1996) (holding that Congress possesses no power to abrogate Eleventh Amendment immunity by virtue of acts predicated on Article I of the Constitution); Alden v. Maine, 527 U.S. 706 (1999) (holding that Congress cannot provide for private suits against States in state courts when exercising its Article I powers); Fitzpatrick v. Bitzer, 427 U.S. 445 (1976) (holding that § 5 of the Fourteenth Amendment confers on Congress a power to abrogate Eleventh Amendment immunity when legislating to enforce the provisions of the Fourteenth Amendment). See generally Carlos Manuel Vasquez, What is Eleventh Amendment Immunity?, 106 YALE L.J. 1683 (1997). A State asserts its Eleventh Amendment immunity when it moves to dismiss private actions for damages based on federal law in either federal or state court. Eleventh Amendment immunity should be distinguished from any sovereign immunity enjoyed by a State by virtue of its constitution or common law. Such immunity would likely be invoked to prevent recovery by a private plaintiff in an action predicated on state law. Unless the context otherwise requires, references to sovereign immunity in this paper are intended to denote Eleventh Amendment immunity.
Florida Prepaid has altered the landscape of federal patent law and, arguably, all other federal protections of intellectual property (including copyright and trademark). The decision provoked impassioned denunciations from Senate Democrats and Republicans alike, but little has been done to correct the situation. Congress' delay in repairing the damage wreaked by a bare majority of Supreme Court Justices is due primarily to Florida Prepaid's apparent requirement that Congress must compile a comprehensive legislative record detailing a pattern of patent infringement by the States, unaccompanied by due process, before any steps can be taken to bring States within the federal patent regime. Wary to "navigate[e] the minefield of conditions laid down by the Supreme Court" for use of the Enforcement Power, proponents of fairness and uniformity in the patent system have focused on alternative, yet constitutionally uncertain, proposals. As of late 2001, no bill had emerged from committee.

It is my thesis that Florida Prepaid misapplied the congruence and proportionality analysis described in City of Boerne. That mode of analysis was adopted to help the Court distinguish legislation that enforces a Fourteenth Amendment right from legislation that redefines a constitutional right, for only the former type of legislation is authorized by § 5 of the Fourteenth Amendment. In Florida Prepaid, the Court paid no heed to the purpose of congruence-and-proportionality analysis; instead, Chief Justice Rehnquist treated it as a new test for appropriateness and found the PRA to be an inappropriate response to an uncertain problem. This misapplication of City of Boerne has stultified the congressional response. However, a careful application of the congruence-and-proportionality analysis within the spirit of City of Boerne and its progeny provides a road map to effective enforcement legislation.

This paper discusses how Congress ought to respond to Florida Prepaid, examining three constitutional bases for abrogating state sovereign
immunity in patent-infringement cases: the prohibition against arbitrary abuses of power (substantive due process), the guarantee of procedural due process, and the States' obligation to make just compensation after taking private property for public use. The paper begins with an analysis of the Florida Prepaid decision. Part II-A recalls the context and purpose behind the congruence-and-proportionality analysis announced in City of Boerne. Part II-B describes the key elements of the legislation invalidated in Florida Prepaid. Part II-C summarizes the Court's opinion. And part II-D identifies sources of difficulty in the majority opinion, concluding that the Court's preoccupation with the legislative record eclipsed the more fundamental task of comparing the Patent Remedy Act with constitutional standards.

The next three parts of the paper apply the congruence-and-proportionality analysis to the PRA to test whether it can be understood to enforce three constitutional rights. Part III explains why the PRA cannot be understood to enforce the substantive aspects of the Due Process Clause. Part IV examines the Court's approach to procedural due process and concludes that it is possible to conceive of the PRA as prototypical § 5 legislation enforcing this aspect of due process. Though Florida Prepaid refused to consider the possibility that the PRA enforced the Just Compensation Clause, Part V considers that very argument.

The next portion of this paper focuses on possible responses to Florida Prepaid. One response would be to stay with the status quo, that is, leave it to state courts to provide remedies for patent infringement by state entities. Using the law of Texas as an example, Part VI-A discusses remedies available under the common law and the Texas Constitution. Another response would involve new federal legislation to restore at least some of the protections patentees enjoyed under the PRA. Part VI-B outlines several alternatives, including Senator Patrick Leahy's proposed Intellectual Property Protection Restoration Act (IPPRA), which would condition the States' participation in the federal intellectual-property system on a waiver of state sovereign immunity. In part VI-C the author provides guidelines for drafting an amendment to the federal patent laws to restore access to the federal courts for patentees seeking redress from state infringers.

II. FLORIDA PREPAID AND THE CITY OF BOERNE ANALYSIS

College Savings Bank (CSB) markets a patented college-financing methodology called the CollegeSure CD. This product is designed to make sure investors have sufficient funds to finance a post-secondary education. In 1994, CSB brought suit under the Patent Remedy Act against Florida Prepaid Postsecondary Education Expense Board (Florida Prepaid, 527 U.S. at 641-42, n.7. Id. at 630. Id. at 631.
ida Prepaid) for alleged patent infringement through its administration of a tuition prepayment program. Florida Prepaid, an instrumentality of the State of Florida, asserted its immunity under the Eleventh Amendment and moved to dismiss the complaint. The district court denied the motion, and the Federal Circuit affirmed, declaring that Congress' objective "to prevent states from depriving patent owners of their property without due process through infringing acts... comports with the text and judicial interpretations of the Fourteenth Amendment." 

The Supreme Court reversed, finding that Congress did not properly abrogate the States' Eleventh Amendment immunity. Writing for the Court, Chief Justice Rehnquist noted that Congress invoked three sources of authority when enacting the PRA: the power to regulate patents, the commerce power, and § 5 of the Fourteenth Amendment (the enforcement power). Since Congress lacks authority to override Eleventh Amendment immunity when exercising an Article I power, the Patent Remedy Act's applicability to the States could not be based on the Patent or Commerce clauses. However, this immunity must succumb to legislation enforcing the Fourteenth Amendment. Thus, the validity of the PRA's purported abrogation of sovereign immunity depended on whether Congress properly exercised its enforcement power.

Invoking the "congruence and proportionality" analysis announced in City of Boerne v. Flores, the Chief Justice mined the legislative record for evidence that States were "depriving patent owners of property without due process of law by pleading sovereign immunity in federal-court patent actions." He uncovered little such evidence. Congress gave scant consideration to the forms of process offered by the States, not to mention whether those remedies actually satisfied due process. Consequently, in the Court's judgment, the decision to "make all States immediately amenable to suit in federal court for all kinds of possible patent infringement... for an indefinite duration" constituted a disproportionate response to an uncertain problem. Since the Patent Remedy Act was not valid § 5 legislation, Florida's Eleventh Amendment immunity

17. Florida Prepaid, 527 U.S. at 634.
18. Id. at 635 (citing U.S. Const. art. I, § 8, ch. 8 (patent power); id. art. I, § 8, ch. 3 (commerce power); id. amend. XIV, § 5 (enforcement power)).
20. Florida Prepaid, 527 U.S. at 636.
22. Florida Prepaid, 527 U.S. at 637.
24. Florida Prepaid, 527 U.S. at 646.
25. Id. at 647.
remained in force. CSB could not rely on federal law to remedy Florida Prepaid's infringement of its patent.

Given Florida Prepaid's emphasis on the legislative record, one might infer that Congress is powerless to protect the property rights of patent holders against state infringement unless the States are persistently violating constitutional rights. This is precisely the inference drawn by lawmakers, administrators, and professors seeking to shape corrective legislation. Such an inference is unwarranted. As discussed below, City of Boerne's congruence-and-proportionality analysis has nothing to do with when Congress may act or whether such action is appropriate. The congruence-and-proportionality analysis distinguishes legislation that enforces from legislation that redefines substantive constitutional guarantees. The congruence phase of the City of Boerne analysis compares the statutory standard for liability with the constitutional standard, while the proportionality phase confirms that Congress has not abused its "wide latitude" to regulate constitutional conduct as a means to prevent or remedy unconstitutional conduct. Once City of Boerne is properly understood, the shortcomings of Florida Prepaid become plain.

A. City of Boerne and the Enforcement Power

1. The Scope of Congress' Enforcement Power

The Fourteenth Amendment's Enforcement Clause reads, "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." The Supreme Court has long recognized that § 5 of the Fourteenth Amendment constitutes "a positive grant of legislative power authorizing Congress to exercise its discretion in determining whether and what legislation is needed to secure [its] guarantees." Equally venerable is the notion that § 5 legislation is "appropriate" if it passes the test articulated by Chief Justice Marshall in McCulloch v. Maryland: "Let the end be legitimate, let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the constitution, are constitutional." The Court echoed this interpretation in its construction of § 5 in Ex parte Virginia:

Whatever legislation is appropriate, that is, adapted to carry out the objects the amendments have in view, whatever tends to enforce submission to the prohibitions they contain, and to secure to all persons to the enjoyment of perfect equality of civil rights and the equal protection of the laws against State denial or invasion, if not prohibited,
is brought within the domain of congressional power.\textsuperscript{33} The Court expressly relied on the McCulloch test in \textit{South Carolina v. Katzenbach}\textsuperscript{34} and other more recent cases upholding Congress' exercise of its enforcement powers.\textsuperscript{35} In short, \S\ 5 legislation is appropriate if it is plainly adapted to a legitimate end.

The "legitimate end" authorized by \S\ 5 is simply to "enforce" the amendment's provisions. Obviously, congress may enact laws aimed at blatant violations, but its discretion also encompasses the power to regulate "conduct which is not itself unconstitutional" as a means to that legitimate end.\textsuperscript{36} As the Court recently observed:

Congress' \S\ 5 power is not confined to the enactment of legislation that merely parrots the precise wording of the Fourteenth Amendment. Rather, Congress' power 'to enforce' the Amendment includes the authority both to remedy and to deter violations of rights guaranteed thereunder by prohibiting a somewhat broader swath of conduct, including that which is not itself forbidden by the Amendment's text.\textsuperscript{37}

For example, the Supreme Court in 1959 unanimously held that a State could rationally conclude, without violating the Equal Protection Clause, that "only those who are literate should exercise the franchise."\textsuperscript{38} Even though a literacy requirement could be constitutionally enacted by a State, the Court in 1966 upheld Congress' temporary ban of literacy tests in specific regions of the country as a reasonable means of enforcing the Fifteenth Amendment.\textsuperscript{39} In 1970, the Court unanimously upheld Congress' extension of the temporary ban nationwide.\textsuperscript{40} Wrote Justice Stewart:

Congress has now undertaken to extend the ban on literacy tests to the whole Nation. I see no constitutional impediment to its doing so. . . . [N]ationwide application may be reasonably thought appropriate when Congress acts against an evil such as racial discrimination which in varying degrees manifests itself in every part of the country. A remedy for racial discrimination which applies in all the States underlines an awareness that the problem is a national one and reflects a national commitment to its solution.\textsuperscript{41}

Thus, Congress may enact legislation it deems appropriate to enforce the guarantees of the Fifteenth Amendment (as well as the Fourteenth

\textsuperscript{33} 100 U.S. 339, 345–46 (1880). See also \textit{City of Boerne}, 521 U.S. at 517–18 (quoting same).

\textsuperscript{34} 383 U.S 301, 326 (1966).

\textsuperscript{35} \textit{E.g., City of Rome v. United States}, 446 U.S. 156, 177 (1980).

\textsuperscript{36} \textit{City of Boerne}, 521 U.S. at 518.


\textsuperscript{41} \textit{Id.} at 283–84 (opinion of Stewart, J.).
Amendment), even if the conduct regulated is amenable to constitutional application. The enforcement power is "plenary within the terms of the constitutional grant" and as broad as the *McCulloch* test will allow.

2. **Enforcing the Fourteenth Amendment**

Sweeping though Congress' § 5 power may be, it is nevertheless limited to enforcement of the Fourteenth Amendment's guarantees. Congress possesses no power to "decree the substance of the Fourteenth Amendment's restrictions on the States." The power to define the scope of a constitutional right lies not with the legislature but with the judiciary. This tension between the power of enforcement and the power of definition—between the power of Congress and the power of the Supreme Court—was at the heart of *City of Boerne*.

a. **Smith, Congress and RFRA**

*City of Boerne* involved a challenge to the Religious Freedom Restoration Act of 1994 (RFRA). RFRA was drafted in response to *Employment Division v. Smith*, a 1990 decision interpreting the scope of the First Amendment's Free Exercise Clause. *Smith* held that laws of general applicability are not unconstitutional simply because they impose an incidental burden on religious exercise. Members of Congress disputed this constitutional interpretation and enacted RFRA to "restore" the compelling-interest test in suits alleging a violation of the Free Exercise Clause. Under RFRA, any governmental law, statute, or ordinance that substantially burdens a person's free exercise must be justified by a compelling state interest. In addition, any such law must constitute the least restrictive means of accomplishing that objective.

The Archbishop of San Antonio sued the City of Boerne under RFRA after being denied a building permit. The federal district court granted the city's motion to dismiss, finding that RFRA exceeded Congress' powers under § 5 of the Fourteenth Amendment. The Fifth Circuit reversed, holding that Congress' § 5 powers were broad enough to support

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43. *City of Boerne*, 521 U.S. at 519.
44. See Marbury v. Madison, 5 U.S. (1 Cranch) 137, 177 (1803).
47. Under *Cantwell v. Connecticut*, 310 U.S. 296, 303 (1927), the Fourteenth Amendment incorporates the First Amendment's ban on laws interfering with the free exercise of religion. Using its power to enforce the Fourteenth Amendment, Congress may pass laws meant to prevent States from unconstitutionally burdening free exercise.
48. See *City of Boerne*, 521 U.S. at 514.
50. Id. § 2000bb-1.
51. Id.
52. *City of Boerne*, 521 U.S. at 512.
RFRA as a means of enforcing the Free Exercise Clause.\textsuperscript{54} The Supreme Court disagreed, holding that RFRA attempted to redefine the substance of the constitutional guarantee it purported to enforce. While the Enforcement Clause empowers Congress to “prohibit conduct which is not itself unconstitutional and intrude[ ] into ‘legislative spheres of autonomy previously reserved to the States,’”\textsuperscript{55} its power is not unlimited: Congress may enforce but not define a constitutional violation.\textsuperscript{55} Because “the line between measures that remedy or prevent unconstitutional actions and measures that make a substantive change in the governing law is not easy to discern,”\textsuperscript{56} Justice Kennedy announced a new test to distinguish between legislation that enforces and legislation that defines constitutional norms: “There must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end. Lacking such a connection, legislation may become substantive in operation and effect.”\textsuperscript{57}

b. The Voting Rights Act as Model Legislation

Since the Court had sustained various provisions of the Voting Rights Act of 1965 as valid § 5 legislation, \textit{City of Boerne} used that Act as a benchmark for congruence and proportionality.\textsuperscript{58} The Voting Rights Act sought to end racial discrimination in voting, an objective obviously consistent with the Fifteenth Amendment’s guarantee that “[t]he right of citizens . . . to vote shall not be denied or abridged . . . by any State on account of race, color, or previous condition of servitude.”\textsuperscript{59} The Fifteenth Amendment “has always been treated as self-executing and has repeatedly been construed . . . to invalidate state voting qualifications or procedures which are discriminatory on their face or in practice.”\textsuperscript{60} The Voting Rights Act’s conception of the Fifteenth Amendment was congruent with the received understanding of the amendment’s substantive guarantees.\textsuperscript{61}

Congress chose to accomplish its objective (enforcement of the Fifteenth Amendment) by regulating practices (voting qualifications) that, absent a discriminatory purpose, are capable of constitutional application.\textsuperscript{62} To illustrate how these regulations were not “so out of proportion

\begin{itemize}
\item \textsuperscript{54} Flores v. City of Boerne, 73 F.3d 1352, 1356 (5th Cir. 1996), \textit{rev’d}, 521 U.S. 507 (1997).
\item \textsuperscript{55} \textit{Id.} (quoting Fitzpatrick v. Bitzer, 427 U.S. 445, 455 (1976)).
\item \textsuperscript{56} \textit{Id.}
\item \textsuperscript{57} \textit{Id.} at 520.
\item \textsuperscript{58} \textit{Id.} at 530–35.
\item \textsuperscript{59} U.S. \textit{Const.} amend. XV, § 1. The enforcement clauses for the Reconstruction Amendments are virtually identical and are interpreted coextensively.
\item \textsuperscript{60} South Carolina v. Katzenbach, 383 U.S. 301, 325 (1966).
\item \textsuperscript{61} Though Justice Kennedy did not explicitly say as much, the inference might reasonably be drawn from his reliance on case law upholding the Voting Rights Act and his characterization of the Act’s provisions as preventive or remedial. \textit{See City of Boerne}, 521 U.S. at 525–27.
\item \textsuperscript{62} \textit{See Lassiter v. Northampton County Bd. of Elections}, 360 U.S. 45, 53 (1959) (noting that no discriminatory object had been alleged).
\end{itemize}
to [their] remedial or preventive object” that they appear to “attempt a substantive change in constitutional protections.”

Justice Kennedy noted that the Voting Rights Act was passed in response to actual invidious racial discrimination in voting. Citing cases upholding the Voting Rights Act, he described some of the Act’s limits. In South Carolina v. Katzenbach, the Court sustained provisions that were directed at specific types of laws in specific parts of the country and were set to terminate upon request if certain criteria were met. Literacy test bans sustained in Katzenbach v. Morgan and Oregon v. Mitchell were directed at a particular voting qualification “with a long history as a ‘notorious means to deny and abridge voting rights on racial grounds.’” In City of Rome v. United States, the Court upheld provisions with jurisdictional limits and termination dates. Justice Kennedy remarked that congressional action need not include “termination dates, geographic restrictions or egregious predicates” to constitute valid enforcement legislation; rather, such limits “tend to ensure” that the legislation does not “attempt a substantive change in constitutional protections.”

c. RFRA and the Free Exercise Clause

The Court began its analysis of RFRA by identifying the constitutional standard under the Free Exercise Clause. The Court measured RFRA against the free exercise standard of Smith, taking for granted that laws of general applicability are not unconstitutional simply because a burden on religion cannot be justified by a compelling governmental interest. Rather, the Fourteenth Amendment prohibits laws “enacted with the unconstitutional object of targeting religious beliefs and practices.” For RFRA to enforce rather than decree the substance of the Fourteenth Amendment, its conception of the constitutional wrong to be remedied or prevented must be congruent with Smith and a proportional means to that end.

RFRA prohibits “government” from substantially burdening a person’s free exercise. A plaintiff need only demonstrate that a religious belief is sincerely held and that a law significantly or meaningfully curtails free exercise. With this rather modest showing, a law is invalid unless the

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63. *City of Boerne*, 521 U.S. at 532.
64. *Id.* at 525–27, 530.
68. *City of Boerne*, 521 U.S. at 533 (quoting South Carolina, 383 U.S. at 355 (Black, J., concurring and dissenting)).
69. 446 U.S. 156, 161 (1980).
70. *City of Boerne*, 521 U.S. at 532–33.
71. *See id.* at 565 (Souter, J., dissenting) (objecting to continued application of Smith in Free Exercise cases).
72. *Id.* at 514.
73. *Id.* at 529.
State can "demonstrate a compelling governmental interest and show that the law is the least restrictive means of furthering its interest."\textsuperscript{76} RFRA regulates burdens resulting from rules of general applicability, which \textit{Smith} deemed constitutional so long as the laws were not motivated by religious bigotry.\textsuperscript{77} Since such laws need only be rational to be valid, RFRA requires a significantly greater justification for constitutional state legislation than would ordinarily be required.\textsuperscript{78}

Congress may regulate constitutional state conduct (here, generally applicable laws not motivated by religious animus) as a means of preventing or remedying unconstitutional state conduct (generally applicable laws motivated by religious animus) and "strong measures" (such as the RFRA rule) might sometimes be justified by the "evil presented" (a record of generally applicable laws motivated by religious animus).\textsuperscript{79} In light of the vast incongruity between the standards imposed by the Constitution and those imposed by RFRA, the fact that Congress compiled no record of "modern instances of generally applicable laws passed because of religious bigotry" tended to indicate a substantive rather than preventive or remedial purpose behind the law.\textsuperscript{80} The indiscriminate scope of RFRA—which applies "to all federal and state law, statutory or otherwise, whether adopted before or after its enactment" and contains "no termination date or termination mechanism"—further confirmed its substantive purpose.\textsuperscript{81} Congress did not adopt a test plainly adapted to discovering invidious legislative motives.\textsuperscript{82} Instead, Congress enacted the compelling-interest test, "the most demanding test known to constitutional law."\textsuperscript{83} All told, RFRA could not "be understood as responsive to, or designed to prevent, unconstitutional behavior."\textsuperscript{84} Rather, Congress tried to overrule a constitutional interpretation without amending the Constitution. Consequently, RFRA did not enforce the Fourteenth Amendment and, when applied to the States, was an invalid exercise of the \textsection 5 power.\textsuperscript{85}

3. Kimel's \textit{Application of City of Boerne}

In \textit{Kimel v. Florida Board of Regents},\textsuperscript{86} the Court applied \textit{City of Boerne}, \textit{521 U.S. at 534.}
Boerne's congruence-and-proportionality analysis to the Age Discrimination in Employment Act (ADEA) to determine whether the statute enforces the Equal Protection Clause or constitutes "an attempt to substantively redefine the States' legal obligations with respect to age discrimination." Writing for the majority, Justice O'Connor began by identifying the scope of the States' constitutional obligation. Under the Equal Protection Clause, classifications based on age are judged by the rational-basis standard: a State may constitutionally act on the basis of age so long as the action is rationally related to a legitimate state interest. Thus, Congress enforces the Equal Protection Clause by enacting appropriate legislation aimed at preventing orremedying irrational age discrimination by the States. As indicated by City of Boerne, Congress may outlaw rational age discrimination by the States as a means to that legitimate end.

A plaintiff may prevail on an ADEA claim by showing that an adverse employment action was based on age. This showing is significantly lighter than the burden imposed under the Equal Protection Clause, which requires the plaintiff to persuade the court that an age classification "is so unrelated to the achievement of any combination of legitimate purposes... that the [State's] actions were irrational." The ADEA plainly lowers the plaintiff's burden. Conversely, the ADEA significantly narrowed a State's defense: unless a statutory exception applies, a defendant must prove that age is a bona fide occupational qualification (BFOQ). To assert this defense, an employer may show that there is "a substantial basis for believing that all or nearly all employees above an age lack the qualifications required for the position." Alternatively, the employer can demonstrate that an age-based proxy is necessary because "it is highly impractical for the employer to insure by individual testing that its employees will have the necessary qualifications for the job." Since the BFOQ defense requires a much more persuasive justification than the rationality test required by the Constitution, the ADEA "effectively elevate[s] the standard for analyzing age discrimination." The fact that Congress compiled no record of irrational age-based behavior by the States tended to show that the extension of the ADEA to the States was more likely an attempt to reshape equal protection than an appropriate means of enforcing it. Since the ADEA fails the City of Boerne test, it does not enforce the Equal Protection Clause, and States need not litigate ADEA claims for damages.

This past Term, the Court applied the congruence-and-proportionality analysis to a portion of the Americans With Disabilities Act (ADA).
The majority opinion tracked the *Kimel* analysis fairly closely, concluding that the standards for liability under the ADA exposed the States to far greater liability than would be imposed under the Equal Protection Clause. Finding an inadequate record of unconstitutional discrimination against the disabled, the Court invalidated the ADA’s damages provision as applied to the States. Though a strong argument can be made that Chief Justice Rehnquist’s analysis paid insufficient attention to a leading case on the breadth of the Equal Protection Clause’s protection of persons with disabilities, his application of *City of Boerne* is consistent with Justice O’Connor’s in *Kimel*.

4. Summary of the Congruence and Proportionality Analysis

*City of Boerne’s* congruence-and-proportionality analysis helps identify legislation that redefines constitutional norms. Although the commentators have failed to reach a consensus about the meaning of this test, a
close reading of City of Boerne and its progeny suggests that the analysis comprises two separate yet related phases, one focusing on the constitutional standard and the other weighing the congressional response. Under the congruence phase of the analysis, courts must determine whether the challenged legislation embodies constitutional norms that are consistent with the Supreme Court's interpretation of those guarantees.100 This phase of the City of Boerne analysis involves three discrete questions. First, What is the standard by which a constitutional violation is measured? Second, Is there a significant likelihood that the regulated conduct is unconstitutional? Third, Does the statutory framework exhibit a congruence with the obligations imposed by the Constitution?

The second phase of the City of Boerne analysis takes for granted that Congress possesses substantial discretion to regulate constitutional acts in order to prevent or remedy unconstitutional acts.101 Pervasive regulation of constitutional conduct carries the risk that Congress is redefining the norm. Because of this risk, proportionality analysis seeks to ensure that "strong measures" are responsive to or designed to prevent constitutional violations.102 Relevant factors in this inquiry include a record of actual violations by the States and inherent statutory limitations that reflect an appreciation for any differences between the statutory and constitutional standards of liability.103 Where Congress' means are proportional to a legitimate end, the legislation enforces the Fourteenth Amendment and, if appropriate under McCulloch, can abrogate the Eleventh Amendment immunity of the States.

B. THE PATENT REMEDY ACT

Congress enacted the Patent Remedy Act in 1990 to make clear that States are expected to comply with the patent laws.104 The legislation was prompted by the Federal Circuit's decision in Chew v. California,105 which applied the clear statement rule adopted by Atascadero State Hospital v. Scanlon.106 Finding no statement of intent to abrogate the Eleventh Amendment immunity of the States in patent infringement suits, the Chew court refused to entertain a suit against a state actor. To comply with Atascadero, Congress added the following language to the patent laws:

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

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101. City of Boerne, 521 U.S. at 518; Kimel, 528 U.S. at 81; Garrett, 531 U.S. at 368–70.
102. City of Boerne, 521 U.S. at 532–33.
103. See id. at 533.
104. See Florida Prepaid, 527 U.S. at 632.
105. 893 F.2d 331 (Fed. Cir. 1990).
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 nongovernmental entity, for infringement of a patent under section 271, or for any other violation under this title.\textsuperscript{107}

Section 271 of the Patent Act details the types of infringement that are considered unlawful. Chief among these is the prohibition of unauthorized uses, offers to sell, or sales of any patented invention.\textsuperscript{108} Contributory infringement is also prohibited.\textsuperscript{109} Furthermore, the PRA prescribed that "remedies . . . are available for [a State's] violation to the same extent as such remedies are available in a suit against a private entity."\textsuperscript{110} Under the PRA, States ran the risk of incurring an obligation to pay damages, interest, costs, treble damages, and attorneys' fees for patent infringement.\textsuperscript{111} The PRA allowed remedies "in equity," which suggests that an aggrieved patentee could secure injunctive relief against a State.\textsuperscript{112} Infringement of a design patent exposed the States to liability for profits as well.\textsuperscript{113}

C. THE COURT'S APPLICATION OF \textit{CITY OF BOERNE} IN FLORIDA PREPAID

\textit{Florida Prepaid} held that Congress overstepped its authority when it sought to abrogate the sovereign immunity of the States in the Patent Remedy Act.\textsuperscript{114} In the Court's opinion, the PRA could not be viewed as enforcing the substantive guarantees of the Fourteenth Amendment. Consequently, it was an improper use of the only power by which Congress can abrogate the States' immunity and CSB's suit against Florida Prepaid should have been dismissed.

To reach this conclusion, the Court asked whether the PRA was "'appropriate legislation' under § 5 as that term was construed in \textit{City of Boerne}."\textsuperscript{115} The Court interpreted \textit{City of Boerne} to require Congress to "identify conduct transgressing the Fourteenth Amendment's substantive provisions, and . . . tailor its legislative scheme to remedying or preventing such conduct" for Congress to invoke its § 5 powers.\textsuperscript{116} According to the Chief Justice, this inquiry should be "guided by the principle that the propriety of any § 5 legislation 'must be judged with reference to the historical experience . . . it reflects.'"\textsuperscript{117}

\textsuperscript{109} Id. § 271(b).
\textsuperscript{110} Id. § 296(b).
\textsuperscript{111} Id.
\textsuperscript{112} Id. See also id. § 283.
\textsuperscript{113} Id. § 289.
\textsuperscript{114} \textit{Florida Prepaid}, 527 U.S. at 630.
\textsuperscript{115} Id. at 637.
\textsuperscript{116} Id. at 639.
\textsuperscript{117} Id. 639–40 (quoting \textit{City of Boerne}, 521 U.S. at 525).
The Court described the "evil" at issue in Florida Prepaid as "state infringement of patents and the use of sovereign immunity to deny patent owners compensation," suggesting that "unremedied patent infringements by the States . . . must give rise to the Fourteenth Amendment violation that Congress sought to redress in the PRA." Congress, however, "identified no pattern of patent infringement by the States, let alone a pattern of constitutional violations" before subjecting them to the patent laws. Citing congressional testimony that States are "willing and able to respect patent rights," the Court found the prospect of infringement speculative.

CSB argued that a State deprives patentees of property without due process of law and takes private property without just compensation when it infringes a patent. The Court acknowledged that Congress can, under § 5, "legislate against [the] deprivation" of a patent by States, but found "little support . . . that Congress sought to remedy a Fourteenth Amendment violation in enacting the Patent Remedy Act." Since the Due Process Clause is violated "only where the State provides no remedy, or only inadequate remedies, to injured patent owners for its infringement of their patent," the Court looked to the record to see whether Congress "considered the availability of state remedies for patent infringement." Congressional testimony focused primarily on the inconvenience of state remedies or the importance of uniformity in patent law. Though important considerations in other contexts, inconvenience and uniformity contribute nothing to the inquiry into "whether a state plea of sovereign immunity deprives a patentee of property without due process of law."

The Court next cited Daniels v. Williams for the proposition that "a state actor's negligent act that causes unintended injury to a person's property does not 'deprive' that person of property within the meaning of the Due Process Clause." Noting that most patent infringements are "innocent or at worst negligent," the Court implied that the run-of-the-mill patent infringement is not a cognizable deprivation under the Due Process Clause. Congress identified no "history of 'widespread and persisting deprivation of constitutional rights,'" and only "a handful of
instances of state patent infringements that do not necessarily violate the Constitution." As such, the record provided only "scant support" for the idea that "the States were depriving patent owners of property without due process of law by pleading sovereign immunity in federal-court patent actions." Thus, the Court concluded that the PRA is so out of proportion to any remedial or preventive object that it cannot be seen as responsive to or designed to prevent unconstitutional behavior. Congress did not limit the scope of the legislation to non-negligent infringement, to infringements authorized by state policy, to States with questionable remedies, or to States with high incidences of infringement. Because "Congress made all States immediately amenable to suit in federal court for all kinds of possible patent infringement and for an indefinite duration," it exceeded its § 5 authority and the PRA could not be sustained.

D. Florida Prepaid is No City of Boerne

The analysis pursued in Florida Prepaid looks nothing like the analysis described in City of Boerne. The Court misconceives the function of the congruence-and-proportionality analysis in three fundamental ways that lead to a confusing opinion that provides little guidance to those who would amend the patent laws to hold the States liable for patent infringement.

1. Florida Prepaid Erroneously Construes City of Boerne to Interpret the Term "Appropriate"

First, the Chief Justice erroneously interpreted City of Boerne to involve a construction of the term "appropriate." To be valid, he wrote, the PRA "must . . . be 'appropriate' under § 5 as that term was construed in City of Boerne." City of Boerne did not construe the term "appropriate." As Justice Scalia notes in a companion case, City of Boerne "made clear . . . that the term 'enforce' [in § 5] is to be taken seriously—that the object of valid § 5 legislation must be the carefully delimited remediation or prevention of constitutional violations." City of Boerne did not reach the question of appropriateness because RFRA did not enforce the Free Exercise Clause. The same can be said of

130. Florida Prepaid, 527 U.S. at 645–46 (quoting City of Boerne, 521 U.S. at 526).
131. Id. at 646.
132. Id. (quoting City of Boerne, 521 U.S. at 532).
133. Id. at 647.
134. Id.
135. Granted, the City of Boerne Court spent a great deal of time examining the record before Congress and the lack of limitations in the law. This fact should not be taken to suggest a greater importance for proportionality analysis. It simply reflects the fact that one need not spend much time on the question of congruence when an act declares its intent to change substantive constitutional law. Such is not the case with the PRA.
136. Florida Prepaid, 527 U.S. at 647.
Kimel and Garrett—there is no reason to discuss the appropriateness of the private action authorized by the ADEA or the ADA if purported enforcement legislation doesn’t enforce the Equal Protection Clause. Justice Kennedy scrupulously avoided any discussion of the term “appropriate” in City of Boerne, beyond mere citation of the broad formulations found in McCulloch and Ex parte Virginia. Arguably, City of Boerne adopted the congruence-and-proportionality test because the appropriateness test contains little limiting effect. As far as City of Boerne indicates, however, the test for appropriateness remains McCulloch.

The Chief Justice’s implication in Florida Prepaid that City of Boerne’s congruence-and-proportionality analysis replaces McCulloch might be attributed to a late-term slip of the pen. But the way Chief Justice Rehnquist applied congruence-and-proportionality analysis in Florida Prepaid suggests that the Court was less interested in determining whether the PRA redefines due process than it was in assessing whether the record compiled by Congress justified the decision to strip the States of their immunity. While the former inquiry makes sure legislation enforces, the latter questions the appropriateness of Congress’ course of action. The Court’s conflation of the enforcement analysis with the question of appropriateness leads to two other shortcomings of the Florida Prepaid opinion: an almost exclusive reliance on the record before Congress and a complete muddling of the law of due process.

2. Florida Prepaid Pays Too Much Attention to the Legislative Record

A second shortcoming of Florida Prepaid is its almost exclusive reliance on the record before Congress in determining whether the PRA should be sustained under City of Boerne. In striking the PRA, the Court fixated on the dearth of constitutional violations by the States through patent infringement. Rather than ask whether the means were congruent with the end—whether the liability imposed on the States for patent infringement was congruent with the obligations of the Due Process Clause—Florida Prepaid compiles evidence of the PRA’s alleged disproportionality. In an eighteen-page opinion, the Court cites the legislative record no fewer than twenty-five times, concluding that Congress’ decision to subject the States to suits for damages constituted a disproportional response to an uncertain problem.

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138. To be fair, Justice Stevens uncritically accepts the majority’s suggestion that City of Boerne “sets out the general test for determining whether Congress has enacted ‘appropriate’ legislation.” Florida Prepaid, 527 U.S. at 652 (Stevens, J., dissenting). Other cases interpreting City of Boerne are unclear about whether its analysis redefines the test for appropriateness. Language in Justice O’Connor’s Kimel opinion cuts both ways. At one point she discusses City of Boerne and Congress’ power to “enforce” the Fourteenth Amendment; soon afterward she states that City of Boerne found RFRA not to be “appropriate” § 5 legislation. See Kimel v. Fla. Bd. of Regents, 528 U.S. 62, 81-82 (2000). Chief Justice Rehnquist was equally vague in Garrett, see Bd. of Trs. v. Garrett, 531 U.S. 356, 365 (2001), as is Justice Breyer, see id. at 377 (Breyer, J., dissenting).

To justify his foray into the legislative record, Chief Justice Rehnquist cited a portion of *City of Boerne* purportedly requiring Congress to compile a record of constitutional violations before enacting § 5 legislation: "the propriety of any § 5 legislation ‘must be judged with reference to the historical experience . . . it reflects.’" The passage quoted by the Chief Justice is found not in *City of Boerne*’s discussion of congruence and proportionality, but in its explanation of why Congress’ enforcement power is not substantive in nature. To illustrate how previous courts “acknowledged” the remedial or preventive aspects of the enforcement power, Justice Kennedy discussed cases in which the Court had upheld remedial and preventive legislation.

One example was *South Carolina v. Katzenbach*, in which the Court rejected a claim by state authorities that Congress, under § 5, could do no more than “strike down state [voting] statutes and procedures” that are “discriminatory on their face or in practice.” Chief Justice Warren ruled that Congress could do anything it pleased to attack the evils comprehended by the constitutional guarantee (the Fifteenth Amendment), so long as those means are appropriate under *McCulloch*. The Voting Rights Act’s “inventive” scheme of “stringent” remedies was entirely appropriate, especially in light of Congress’ inability to make headway in its fight against racial discrimination in voting through previous legislation. For Justice Kennedy’s purposes, it was sufficient that *South Carolina* upheld remedial legislation. He followed this discussion with a litany of cases “acknowledg[ing]” Congress’ authority to use remedial and preventive measures in the exercise of its enforcement powers. Justice Kennedy concluded his argument by asserting that the Court’s case law did not acknowledge a substantive enforcement power.

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141. See generally *City of Boerne*, 521 U.S. at 520-29.
142. Id. at 526.
143. 383 U.S. 301, 325 (1966).
144. Id. at 326.
145. Id. at 327, 315.
146. *City of Boerne*, 521 U.S. at 525 (“Recent cases have continued to revolve around the question of whether § 5 legislation can be considered remedial.”).
147. Id. at 526-27.
148. Id. at 527-29.
Florida Prepaid lifts the historical-experience test for proper § 5 legislation from dictum within City of Boerne’s discussion of South Carolina. Yet this purported ‘guiding principle’ for § 5 legislation149 derives not from South Carolina but from Justice Kennedy’s gloss on Chief Justice Warren’s introductory remarks about the Voting Rights Act of 1965.150 South Carolina begins its discussion of the Act’s appropriateness by stating that “[t]he propriety of the Voting Rights Act of 1965 must be judged by reference to the historical experience which it reflects.”151 Without a doubt, Congress confronted in 1965 “an insidious and pervasive evil” in actual racial discrimination by certain States.152 But the “historical experience” to which Chief Justice Warren referred is the failed series of laws passed by Congress in response to that evil. The Enforcement Act of 1870 failed because of “spotty and ineffective” enforcement long before its repeal in 1894.153 For the next half-century, Congress stood on the sidelines while Jim Crow eviscerated the promise of the Reconstruction Amendments. When Congress invoked its enforcement powers in the Civil Rights Acts of 1957, 1960 and 1964, it implemented stratagems that “[did] little to cure the problem of voting discrimination.”154 Its efforts again “proved ineffective.”155 Considering Congress’ prior failures, the Court found the Voting Rights Act’s “complex scheme of stringent remedies” to constitute an appropriate attempt to enforce the Fifteenth Amendment.156

Read in context, the language in South Carolina refers specifically to the Voting Rights Act of 1965 and the historical experience of legislative ineffectiveness. When Justice Kennedy quotes this language in City of Boerne’s description of South Carolina, he substitutes “legislation adopted under the Enforcement Clause” for “the Voting Rights Act of 1965,”157 and thus transforms this peculiar remark into a general statement about congressional power. When he notes that the legislative record contained evidence of “subsisting and pervasive discriminatory—and therefore unconstitutional—use of literacy tests,”158 he subtly mutates the meaning behind the words “historical experience.” When he writes that the South Carolina Court “emphasized” the importance of historical experience,159 he changes the limited imperative of South Carolina into a test for proper § 5 legislation. The original intent of the South Carolina text (“[t]he new, unprecedented remedies were deemed neces-

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149. Florida Prepaid, 527 U.S. at 639–40 (stating that courts reviewing § 5 legislation should be “guided by the principle” the Chief Justice takes from City of Boerne).
150. City of Boerne, 521 U.S. at 525 (quoting South Carolina v. Katzenbach, 383 U.S. 301, 308 (1966)).
151. Katzenbach, 383 U.S. at 308.
152. Id. at 309.
153. Id. at 310.
154. Id. at 313.
155. Id. at 314.
156. Id. at 315, 337.
157. City of Boerne, 521 U.S. at 525.
158. Id.
159. Id.
necessary given the ineffectiveness of the existing voting rights laws . . .") is separated from the quoted language by a paragraph’s discussion, relegated to the status of an afterthought.\textsuperscript{160}

When Chief Justice Rehnquist dusts off the historical-experience principle in \textit{Florida Prepaid}, it becomes a guiding light for “any § 5 legislation.”\textsuperscript{161} From this skewed perspective, the PRA must be predicated by constitutional violations or, at the least, a “pattern of patent infringement by the States.”\textsuperscript{162} Pouring new wine into old wineskins, the Court appears justified in poring through the legislative record to see whether Congress “identified” conduct transgressing the Fourteenth Amendment’s substantive provisions” before invoking § 5 and adopting the PRA.\textsuperscript{163} \textit{Florida Prepaid} relies on a mangled quote from \textit{City of Boerne}’s discussion of the nonsubstantive nature of the enforcement power to support the Court’s decision to overturn the PRA as a remedy without a wrong.

This reliance on dictum, however, fails to persuade when it is considered in light of \textit{City of Boerne}’s explanation of the proportionality principle. After declaring that § 5 does not confer on Congress a power to define the scope of the Constitution’s guarantees,\textsuperscript{164} \textit{City of Boerne} asked whether RFRA, with its “strong measures,” was congruent and proportional § 5 legislation.\textsuperscript{165} Justice Kennedy explained that the Voting Rights Act of 1965—enacted to combat a well-documented pattern of unconstitutional discrimination—contained termination dates and targeted notoriously recalcitrant regions of the country.\textsuperscript{166} By contrast, RFRA’s legislative record lacked examples of laws motivated by religious animus, which one might expect to find considering the way RFRA ratcheted up the States’ exposure to liability.\textsuperscript{167}

Perhaps suspecting that this exercise in contrasts might lead others to require a record of unconstitutional behavior by the States, Justice Kennedy noted that the inadequate legislative record “is not RFRA’s most serious shortcoming.”\textsuperscript{168} RFRA’s most glaring failure is its “sweeping coverage,” which puts “official actions of almost every description and regardless of subject matter” at risk of invalidation by prima facie evidence of a burden on free exercise. Yet even this explanation deserves a word of caution: “[t]his is not to say, of course, that § 5 legislation requires termination dates, geographic restrictions or egregious predicates.”\textsuperscript{169} Such limits might be necessary when federal law “pervasively prohibits constitutional state action in an effort to remedy or prevent un-

\begin{itemize}
\item \textsuperscript{160} \textit{Id.} at 526.
\item \textsuperscript{161} \textit{Florida Prepaid}, 527 U.S. at 640 (emphasis added).
\item \textsuperscript{162} \textit{Id.}
\item \textsuperscript{163} \textit{Id.} at 639.
\item \textsuperscript{164} \textit{City of Boerne}, 521 U.S. at 527.
\item \textsuperscript{165} \textit{Id.} at 531.
\item \textsuperscript{166} \textit{Id.} at 532–33.
\item \textsuperscript{167} \textit{Id.} at 530–31.
\item \textsuperscript{168} \textit{Id.} at 531.
\item \textsuperscript{169} \textit{Id.} at 533 (emphasis added).
\end{itemize}
constitutional state action... to ensure that Congress' means are proportionate to ends legitimate under § 5."

But they are not always required. Were a court to suggest that it knew better than Congress when congruent and proportional legislation should be adopted under § 5 of the Fourteenth Amendment, it would violate the principle of judicial deference. Requiring a record of unconstitutional acts by the States before upholding § 5 legislation would also violate that principle. In this regard, Florida Prepaid violates City of Boerne.

3. Florida Prepaid Pays Insufficient Attention to the Question of Congruence

Florida Prepaid's preoccupation with the legislative record distracts the Court from the primary purpose of the congruence and proportionality analysis—to determine whether putative § 5 legislation attempts to redefine the substance of the constitutional guarantee to be enforced. The Court underemphasizes the congruence analysis and treats the fact that the PRA targeted constitutional conduct as proof that Congress exceeded its powers under § 5. But City of Boerne requires a full understanding of the constitutional guarantee to be enforced and the conception of constitutionality embodied by a particular piece of § 5 legislation. Otherwise, it is impossible to judge whether § 5 legislation substantively alters the constitutional guarantee. By jumping ahead to the question of proportionality, the Court gives the impression that Congress lacks power to regulate constitutional state action in the absence of egregious predicates.

Florida Prepaid's superficial discussion of due process fails to mention that the Fourteenth Amendment embraces three varieties of due-process rights. First, certain substantive protections of the Bill of Rights apply to

170. Id.
171. Id. 531-32.
172. Florida Prepaid also creates a false distinction between the legislative record necessary to justify prophylactic § 5 legislation and the record necessary to exercise remedial powers. See Florida Prepaid, 527 U.S. at 645 (quoting City of Boerne, 521 U.S. at 526) (saying that the record before Congress when enacting the PRA “suggests that the [Act] does not respond to a history of ‘widespread and persisting deprivation of constitutional rights’ of the sort Congress has faced in enacting proper prophylactic § 5 legislation”). Nothing in City of Boerne supports the contention that prophylactic legislation requires a greater showing. Since the 1960s, the Supreme Court has on numerous occasions “acknowledge[d] the necessity of using strong remedial and preventive measures to respond to the widespread and persisting deprivation of constitutional rights resulting from this country's history of racial discrimination.” City of Boerne, 521 U.S. at 526 (emphasis added). As Justice Kennedy did with the quotation from South Carolina, the Chief Justice Rehnquist turns a specific statement into a general rule. But City of Boerne does not distinguish between prophylactic and remedial legislation; City of Boerne distinguishes ordinary measures consistent with the constitutional mandate from strong measures that go beyond the norm. The stronger the rule, the more egregious the record of actual deprivations must be. Congress need not cite a record of constitutional violations to create a congruent § 5 remedy and it need not compile evidence of widespread and persisting deprivations to enact preventive legislation. See Meltzer, Overcoming Immunity, supra note 99, at 1347-48. See also Richard E. Levy, Federalism: The Next Generation, 33 Loyola L.A. L. Rev. 1629, 1650-51 (2000).
the States by virtue of the doctrine of incorporation, including, *inter alia*, the guarantee of Just Compensation for the taking of private property by the government.173 Second, the Due Process Clause contains a substantive component that protects against "certain, arbitrary, wrongful government actions 'regardless of the fairness of the procedures used to implement them.'"174 Third, is a guarantee of fair procedures in any deprivation of life, liberty or property.175 Though overlapping in some respects (the first category may be seen as a subcategory of the second), these varieties of due-process protections cover different rights and involve different modes of analysis.

*Florida Prepaid* paints with broad strokes, making no obvious distinction among the varieties of due process.176 In one breath, the Court discusses what can properly be called procedural due process; in the next, it discusses cases relevant to substantive due-process claims. In neither instance does the Court intimate that it has treated due process as anything but a unitary concept. Furthermore, the Court's discussion of due process tells us little about the substance of the guarantee. For example, the Chief Justice remarks that the Due Process Clause is not violated until due process is actually denied.177 While this statement accurately identifies when the violation would be ripe for adjudication, it says virtually nothing about what process is due when a State infringes a patent. It avoids the very question posed by the Court—whether the assertion of sovereign immunity by a State in a patent infringement suit would be compatible with notions of due process. The Court also notes that a State does not deprive someone of life, liberty or property by acting negligently.178 It is true that this categorical statement applies where a claim is predicated on a supposed violation of substantive due-process, but there is no reason to believe that this standard has any relevance in the context of a procedural due-process claim or a suit demanding just compensation for a taking. As for the takings theory, the Court refused even to consider whether the PRA could be understood as responsive to or designed to prevent uncompensated takings. With little substantive discussion of the various forms of due process, it is hard to tell whether the PRA constitutes a "strong measure" and there is no way to tell whether it is a proportional response to the record facing Congress. And a Congress eager to fulfill its constitutional obligations is left scratching its head, wondering how to enforce the Due Process Clause.

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174. *Id.* (quoting *Daniels*, 474 U.S. at 331).
175. *Id.*
176. All three forms are present, however. *See Florida Prepaid*, 527 U.S. at 641–42 n.7. (just compensation); *id.* at 645 (substantive due process); *id.* at 642–43 (procedural due process).
177. *Florida Prepaid*, 527 U.S. at 643.
4. Did the Court Reach the Right Result Anyway?

*Florida Prepaid* pays no more than lip service to *City of Boerne*’s declaration that Congress can regulate constitutional conduct as a means to prevent or remedy unconstitutional conduct. It treats congruence and proportionality analysis as a new construction of the term “appropriate.” It improperly focuses on issues relevant to the proportionality analysis while making only a superficial inquiry into the PRA’s congruence with constitutional norms. It appears to require that Congress compile a record of constitutional violations before it can act. After *Florida Prepaid*, in the words of Justice Stevens, “Congress’ ‘wide latitude’ in determining remedial and preventive measures . . . has suddenly become very narrow indeed.”

Despite its misapplication of the *City of Boerne* analysis, *Florida Prepaid* can be understood to reach a defensible result in some respects. First, the PRA does not enforce the constitutional guarantee of substantive due process. It broadly prohibits conduct that is unlikely to effect an unconstitutional deprivation without due process, as the concept of substantive due process has been interpreted by the modern Court. Second, whether the PRA enforces the guarantee of procedural due process is less clear than the Court suggests—however, the answer turns not on the state of the record, but on how one views the power of Congress to implement constitutional norms identified by the Supreme Court. Finally, the PRA might or might not enforce the Just Compensation Clause. Whether any incongruities are disproportionate depends on how broadly one construes the trial court’s discretion to award certain remedies. The next three parts of this paper consider whether the PRA can be understood to enforce these three varieties of due process.

### III. SUBSTANTIVE DUE PROCESS

The Federal Circuit, ruling below, interpreted the PRA to “prevent states from depriving patent owners of their property without due process through infringing acts.” This holding suggests that infringement itself is a violation of due process. In this regard, it has the ring of substantive due process, which defines certain acts by the government as inherently unfair. Though reversing the Federal Circuit, *Florida Prepaid* does not directly address this argument. Instead, the Court simply states that “a
state actor's negligent act that causes unintended injury to a person's property does not 'deprive' that person of property within the meaning of the Due Process Clause."182 By imposing liability even when the infringement is "innocent or at worst negligent," the PRA regulates conduct that is unlikely to be unconstitutional.183 Since the legislative record does not support the conclusion that such legislation is a proportional response to actual state infringements, the Court implies that the PRA cannot be understood to enforce the constitutional protection against arbitrary abuses of power.

Negligence is a concept alien to patent law. The defendant's state of mind in a patent-infringement suit is relevant only at the remedy stage, where willful infringements can result in an enhanced damage award.184 Florida Prepaid dismisses the importance of this distinction, focusing instead on the fact that many of the acts regulated by the PRA are likely to be negligent and hence constitutional. However, the important question is not whether the PRA regulates unintentional infringement; Congress has power under § 5 to regulate constitutional conduct to prevent or remedy unconstitutional conduct. The important question is whether the PRA's standard for liability is congruent with the constitutional standard and, if it increases the States' liability beyond the constitutional obligation, whether the response is proportional in light of the evil to be eradicated. To determine whether the PRA enforces the Fourteenth Amendment's guarantee against arbitrary abuses of power, a court must first identify the relevant constitutional standard; second, determine whether the regulated conduct is likely to be unconstitutional; and third, compare the statutory and constitutional obligations to evaluate the Act's congruence. The proportionality inquiry then confirms whether the PRA redefines substantive due process.

A. The Constitutional Standard

The first step in a City of Boerne analysis is to identify the constitutional guarantee to be enforced. Substantive due process "bars certain arbitrary, wrongful government actions 'regardless of the fairness of the procedures used to implement them.'"185 Unlike a violation of procedural due process, which does not 'ripen' until due process is denied, a substantive due process violation is complete as soon as the arbitrary action is taken.186 Not all arbitrary deeds by government actors are prohibited by the Due Process Clause. Rather, "[o]nly the most egregious official

182. Florida Prepaid, 527 U.S. at 645 (citing Daniels, 474 U.S. at 328).
183. Id.
184. Id.
186. See id.
conduct can be said to be ‘arbitrary in the constitutional sense.’”\textsuperscript{187} The “cognizable level of executive abuse of power” necessary to violate the Due Process Clause is “that which shocks the conscience.”\textsuperscript{188} Negligent conduct is not particularly shocking; thus, “the Constitution does not guarantee due care” on the part of state officials.\textsuperscript{189} On the other hand, intentional injury “unjustifiable by any government interest” is most likely to shock the conscience.\textsuperscript{190}

An act’s conscience-shocking quality should be evaluated in light of traditional and contemporary executive behavior and the standards of blame generally applied to conduct.\textsuperscript{191} This judgment may be informed by reference to “fundamental rights and liberties which are, objectively, ‘deeply rooted in this Nation’s history and tradition’ . . . and ‘implicit in the concept of ordered liberty,’ such that ‘neither liberty nor justice would exist if they were sacrificed.’”\textsuperscript{192} This inquiry by nature is fact specific: what is shocking in one context might not be shocking in another.\textsuperscript{193}

For example, in \textit{County of Sacramento v. Lewis},\textsuperscript{194} a police officer was breaking up a fight when two teenagers on a motorcycle approached at high speed. The officer signaled to the boys to stop, but they maneuvered around the officer’s car and sped off. The officer turned on his emergency lights and began pursuit at high speed. The chase last a little over a minute, reaching speeds of 100 miles per hour in a residential neighborhood. The motorcycle tipped when the driver attempted a sharp turn. Although the driver got out of the way, the rider (Lewis) could not. The officer’s skidding patrol car propelled him 70 feet down the road, killing him. Lewis’ family brought a § 1983 claim based on the officer’s deliberate indifference to or reckless disregard for Lewis’ substantive due-process rights.\textsuperscript{195}

Justice Souter began by noting that official acts can be sufficiently shocking when the culpability of the state actor is somewhere between mere negligence and intentional misconduct.\textsuperscript{196} Deliberate indifference to the medical needs of a person in the custodial care of the State would shock the conscience.\textsuperscript{197} By contrast, the “unforeseen circumstances” in \textit{Sacramento} called for “instant judgment.”\textsuperscript{198} Under these circumstances,

\begin{itemize}
\item \textsuperscript{188} Id. at 846.
\item \textsuperscript{189} Id. at 848-49.
\item \textsuperscript{190} Id. at 849.
\item \textsuperscript{191} Id. at 847, n.8.
\item \textsuperscript{193} See County of Sacramento v. Lewis, 523 U.S. 833, 850 (1998) (citing Betts v. Brady, 316 U.S. 455, 462 (1942)).
\item \textsuperscript{194} Id. at 836–37.
\item \textsuperscript{195} Id.
\item \textsuperscript{196} Id. at 849.
\item \textsuperscript{197} Id. at 850.
\item \textsuperscript{198} Id. at 853.
\end{itemize}
"even precipitate recklessness fails to inch close enough to harmful purpose to spark the shock that implicates 'the large concerns of the governors and the governed.'"\textsuperscript{199} Rather than draw a bright-line rule based on the defendant's state of mind, \textit{Sacramento} requires a fact-specific inquiry that focuses on abuses of power, measured by the "shock" test.

If the PRA is to enforce the Fourteenth Amendment's substantive due-process guarantee, it must aim to prevent or remedy arbitrary abuses of power. Whether a state actor's conduct shocks the conscience depends on a fact-intensive inquiry into the circumstances. While negligent acts are categorically excluded as less than shocking, the likelihood of shock increases as the state actor's culpability approaches an intentional abuse of power.

B. IS THE REGULATED CONDUCT LIKELY TO BE UNCONSTITUTIONAL?

The second step in the \textit{City of Boerne} congruence analysis requires a court to determine whether the regulated conduct is likely to be unconstitutional. Under a substantive-due-process rationale, two state acts covered by the PRA might be characterized as an abuse of power: (1) the assertion of sovereign immunity to defeat a claim and (2) the patent infringement itself. Following \textit{Sacramento}, we ask whether either of these acts shocks the conscience.

A State's assertion of sovereign immunity is not shocking in the constitutional sense, no matter how unfair it may seem from the perspective of the damaged patentee. The State does not act arbitrarily or abuse its power by following a policy that uniformly denies recovery to a patentee who alleges infringement.\textsuperscript{200} A policy requiring plaintiffs to petition the legislature to waive its immunity to suit would not shock the conscience, unless permission were granted in an inconsistent and arbitrary manner indicating an abuse of power. Further, States can invoke sovereign immunity without offending procedural due process.\textsuperscript{201} If the assertion of sovereign immunity were sufficiently shocking to constitute a violation of substantive due process, the doctrine's potential inoffensiveness as a procedural matter would seem incoherent. Considering the Supreme Court's recent expression of esteem for the doctrine of sovereign immunity,\textsuperscript{202} the suggestion that the sovereign-immunity defense shocks the conscience is untenable.

As for the second possibility, most infringements will fail to shock the conscience. The patent laws require no proof of culpability. This legislative choice reflects the systemic expectedness of infringement. That a researcher might follow a line of inquiry or attempt to solve a problem in a manner that leads to an ultimate reduction that coincides with the claims of another patent is not surprising; it is, rather, to be expected.

\textsuperscript{199} Id. (quoting Daniels v. Williams, 474 U.S. 327, 332 (1986)).
\textsuperscript{200} See Daniels, 474 U.S. at 342 (Stevens, J., concurring).
\textsuperscript{201} Martinez v. California, 444 U.S. 277, 283 (1980).
intentional infringements would not violate substantive due process. Still, certain state-sponsored infringements, such as the "willful" infringement alleged in *Florida Prepaid*,\(^\text{203}\) might shock the conscience. Thus, while most infringements would not inherently violate due process, some very possibly could.

C. THE SHOCKS-THE-CONSCIENCE STANDARD AND THE PRA

Acknowledging that Congress can regulate the constitutional to prevent or remedy the unconstitutional, the third step of the *City of Boerne* congruence analysis asks whether the PRA appreciates the distinction between inoffensive infringements and shocking abuses of power. This inquiry involves a comparison of the statutory and constitutional standards of liability. To establish a violation of the patent laws requires the same proof whether the infringement is ordinary or intentional. If an invention contains all the elements of a particular claim, then the defendant’s invention literally infringes the patented invention.\(^\text{204}\) Alternatively, if an invention "performs substantially the same function in substantially the same way to obtain the same result," the invention infringes the patent under the doctrine of equivalents.\(^\text{205}\) Under the PRA, a state infringer can be held liable without proof of intent.\(^\text{206}\)

Though irrelevant to the question of infringement, intent matters in the damages phase of litigation. A successful plaintiff can recover lost profits or a reasonable royalty for ordinary infringement,\(^\text{207}\) but a patentee who demonstrates willful infringement can receive treble damages.\(^\text{208}\) In extraordinary cases, the court also has discretion to award attorney's fees.\(^\text{209}\) The Court’s dismissive consideration of remedies in *Florida Prepaid* notwithstanding, the PRA plainly distinguishes between conduct that is more likely to offend substantive due process and acts that would not.

This distinction, however, might not be as persuasive as it initially appears. First, the argument that willful infringements violate substantive due process proves too much. Many deliberate infringements would result from uses eligible for the experimental-use defense. Where the use is for research purposes, "to check the adequacy of the specification and the

\(^{203}\) *Florida Prepaid*, 527 U.S. at 653 (Stevens, J., dissenting).


\(^{206}\) Intent is relevant to a finding of contributory infringement. See ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 290–94 (2d ed. 2000).


validity of the patent holder’s claims about the invention,” as opposed to “adapt[ing] the patented invention to the experimenter’s business,” no liability attaches. From the constitutional perspective, such conduct is not shocking. Second, putting the state infringer on the same ground as the private infringer might not even articulate the most relevant analogy. The State’s assertion of sovereign immunity when a private infringer would have to pay damages evokes images of stealing or an abuse of power. Rather than compare infringers, however, Professor Volokh suggests, controversially, that a more apt analogy would liken intellectual property to real property. States have always possessed the power of eminent domain with respect to real property. From this perspective, the possibility that a State might co-opt a patent to public use is not shocking at all. So long as just compensation is made, there is no constitutional violation. An inventor deciding whether to apply for a patent (and thus disclose his art to the world) must balance his desire to secure the benefits of the patent system against the risk the government will exercise its power to eminent domain to co-opt his patent for public use. Inventors averse to this risk might prefer to keep the mysteries of their science to themselves and rely on the protections of trade-secret law. But a taking, in and of itself, is not “shocking” in the constitutional sense. In other words, considered from the perspective of eminent domain, the PRA’s distinction between ordinary and willful infringement reflects no constitutional distinction, since even willful (and compensated) infringements are no abuse of power.

Even assuming that this distinction is viable, the PRA pervasively regulates state conduct that would be constitutional under the substantive-due-process rationale. To ensure that the PRA does not accomplish a legislative redefinition of substantive due process, it is necessary to look for signs that the PRA is a proportional response to an evil at hand.

D. IS THE PRA PROPORTIONAL LEGISLATION?

The PRA—in an attempt to prevent arbitrary abuses of power—regulates conduct that is unlikely to violate the guarantee of substantive due process. It regulates all infringements, demanding a damage remedy irrespective of intent, despite the fact that the vast majority of infringements do not shock the conscience. By defining ordinary infringement as a wrong redressible by damages and making willful infringement simply more wrongful, the PRA substantially lowered the threshold for liability

214. Id. at 1167.
and expanded the States’ obligations. Regulating less-than-shocking infringements that do not implicate the “large concerns of the governors and the governed” in the name of preventing egregious abuses of power, the PRA appears to alter the meaning of substantive due process. Given the incongruity between the constitutional norm and the statutory obligation, the proportionality phase of the City of Boerne analysis asks whether the PRA is a proportional attempt to prevent or remedy a constitutional wrong.

Florida Prepaid indicates that infringements by state actors are infrequent, and unconstitutional infringements less frequent. Congress did not tailor the PRA to address only willful infringements; neither is it directed at States that tend to infringe more frequently than others. Instead, it regulates all infringements by state actors, nationwide, indefinitely. Subjecting the States to suit in federal court when many of the alleged infringements would result in no liability, all in the name of preventing abuses of power, can be considered a disproportionate response to the problem of state patent infringement, even if a willful infringer is treated more harshly than an ordinary infringer. Congress’ decision to subject the States to liability under the PRA appears to redefine their substantive due-process obligations. Consequently, the PRA fails to enforce the substantive component of the Due Process Clause, and, were this the only theory for sustaining the PRA, the Act’s abrogation of Eleventh Amendment immunity would be void.

IV. PROCEDURAL DUE PROCESS

In Florida Prepaid, the Court held that there is “no reason why Congress might not legislate against . . . deprivation [of patent rights] without due process under § 5 of the Fourteenth Amendment.” However, continued the Court, state-sponsored deprivation of life, liberty or property does not by itself give rise to the constitutional violation: “‘what is unconstitutional is the deprivation of such an interest without due process of law.’” A State does not violate the Constitution when it infringes a patent. “Instead, 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.”

Implicitly rejecting a substantive-due-process rationale, this argument focuses on procedural due process. The Court’s articulation of the due-process principle is correct, as far as it goes. But it says nothing about

216. Florida Prepaid, 527 U.S. at 646. But see id. at 656 (Stevens, J., dissenting) (“Congress found that state infringement of patents was likely to increase.”).
217. Id. at 647.
218. Florida Prepaid, 527 U.S. at 642.
219. Id. at 643 (quoting Zinermon v. Burch, 494 U.S. 113, 125 (1990) (emphasis omitted)).
what makes procedures constitutionally adequate in a particular situation. Instead of weighing the constitutionality of a process that allows the State to interpose sovereign immunity between its infringement of a patent and the patentee’s right to recovery, the Court asks whether Congress looked into the availability and quality of state-based remedies for the “wrong” committed when a State infringes a patent. Because the legislative record never mentions such remedies, the Court concludes that the PRA was not responsive to any constitutional violations. This faulty reasoning allows the Court to avoid deciding whether “the use of sovereign immunity to deny patent owners compensation for the invasion of their patent rights” is likely to be unconstitutional under the Due Process Clause. The answer to this question hinges not on the state of the record but on an understanding of procedural due process.

To determine whether the PRA enforces this aspect of the due-process guarantee, we must first consider the statute’s congruence with the Constitution: we must identify the constitutional standard, determine whether the regulated conduct is likely to be unconstitutional, and compare the statutory and constitutional obligations for signs of congruence. Then, this congruence analysis must be considered in light of the PRA’s proportionality to determine whether the PRA redefines the constitutional guarantee. If not, the PRA should have been upheld as valid enforcement legislation.

A. The Constitutional Standard

Justice Stevens has described a violation of procedural due process as “a defect so serious that we can characterize the procedures as fundamentally unfair, a defect so basic that we are forced to conclude that the deprivation occurred without due process.” Unfortunately, the measure of procedural fairness is not so easily stated, for due process, “unlike some legal rules, is not a technical conception with a fixed content unrelated to time, place and circumstances.” It is “flexible and calls for such procedural protections as the particular situation demands.” Instead of applying a bright-line rule, the Court measures the fairness of a given set of procedures by balancing factors articulated in Mathews v. Eldridge:

First, the private interest that will be affected by the official action; second, the risk of erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and finally, the Government’s interest, including the function involved and the fiscal and administrative burdens that the additional or substitute procedural requirement would

221. Florida Prepaid, 527 U.S. at 640.
222. Daniels, 474 U.S. at 341 (Stevens, J., concurring).
Justice Brennan identified the most basic requirement of due process of law to be “the opportunity to be heard”\textsuperscript{226} at “a meaningful time and in a meaningful manner.”\textsuperscript{227} In other words, “[t]he opportunity to be heard must be tailored to the capacities and the circumstances of those who are to be heard.”\textsuperscript{228} In \textit{Mathews}, Justice Powell judged the pre-termination proceedings at issue to be “elaborate.”\textsuperscript{229} Because the procedures provided “an effective process for asserting [Mathews’] claim prior to any administrative action” as well as “a right to an evidentiary hearing [and] subsequent judicial review, before the denial of his claim [became] final,” the Court deferred to “the good-faith judgments of the individuals charged by Congress with the administration of social welfare programs.”\textsuperscript{230}

Thus, the constitutional standard in a procedural-due-process challenge prescribes no hard-and-fast rule, although predeprivation hearings are generally preferred.\textsuperscript{231} Constitutionality depends on a balancing of interests, guided by the principle that the opportunity to be heard must be ‘meaningful’ in the sense that they are tailored to the capacities of the person whose interests are subject to deprivation.

B. \textbf{IS THE REGULATED CONDUCT LIKELY TO BE UNCONSTITUTIONAL?}

The second step in the \textit{City of Boerne} congruence analysis asks whether the regulated conduct is likely to be unconstitutional. Thus, the question is whether a State would violate procedural due process by interposing its sovereign immunity between an injured patentee and his remedy. In \textit{Martinez v. California},\textsuperscript{232} a unanimous Court held meritless a claim that a “State’s immunity statute is unconstitutional when applied to defeat a tort claim arising under state law.” Justice Stevens, who authored \textit{Martinez}, subsequently elaborated on the constitutionality of the common-law sovereign-immunity defense in his \textit{Daniels} concurrence: “There is no reason to believe that the Due Process Clause of the Fourteenth Amendment and the legislation enacted pursuant to § 5 of that Amendment should be construed to suggest that the doctrine of sovereign immunity renders a state procedure fundamentally unfair.”\textsuperscript{233} In other words, a state policy allowing the sovereign-immunity defense is not ipso facto unconstitutional by virtue of the Fourteenth Amendment’s Due Process

\begin{footnotes}
\item[225.] 424 U.S. 319, 335 (1976).
\item[227.] \textit{Id.} (quoting Armstrong v. Manzo, 380 U.S. 545, 552 (1965)).
\item[228.] \textit{Id.} at 268–69.
\item[230.] \textit{Id.} at 349.
\item[231.] \textit{See Zinermon v. Burch, 494 U.S. 113, 132 (1990).}
\item[232.] 444 U.S. 277, 283 (1980).
\item[233.] Daniels v. Williams, 474 U.S. 327, 342–43 (1986) (Stevens, J., concurring).
\end{footnotes}
Clause. Rather, the constitutionality of such a policy depends on the results of the Mathews balancing test. The Mathews balancing test requires consideration of three factors: (1) the private interest at stake, (2) the risk of erroneous deprivation through the procedures used and the probable value of alternative procedural safeguards, and (3) the State interests at stake.

1. The Private Interest at Stake

A court evaluating the fairness of a State’s procedures for depriving a citizen of property must first identify the private interest at stake. A review of the Supreme Court’s description of the private interests at stake in landmark procedural-due-process cases indicates how courts should consider this issue.

In Goldberg v. Kelly, the plaintiff alleged wrongful termination of financial assistance under a federally assisted state welfare program. The Court described the private interest at stake as a statutory entitlement, declining to characterize the funds as a gratuity or privilege undeserving of the protections of due process. According to Justice Brennan, welfare benefits for the eligible recipient constitute “the means to obtain essential food, clothing, housing, and medical care... the very means by which to live...” Lacking “independent resources, his situation becomes immediately desperate.” Mathews v. Eldridge involved the suspension of federal disability benefits administered by a state agency. The Court noted that disability benefits are not based on financial need and identified a variety of alternative sources of income. Since “full retroactive relief” is available to the person whose benefits were wrongfully terminated, Justice Powell identified the private interest at stake as “the uninterrupted receipt” of disability benefits “pending the final administrative decision on his claim.” Insofar as the interests at stake in these two cases are so similar, and the outcomes so different, it is hard to escape the impression that much rides on how the private interest is characterized.

In a patent-infringement suit, the private interest at stake is the patentee’s right to exclude others from making, using, selling, offering for sale, or importing the claimed invention. The exclusive rights conferred by a patent are of limited duration: the term of a patent is a mere twenty years from the date of application. That said, it is also true that a patent does not confer an affirmative right to do anything. A patentee might still need to pass regulatory review before being allowed to produce the

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235. Id. at 262.
236. Id. at 264.
237. Id.
238. 424 U.S. 319, 335 (1976).
239. Id. at 340–41.
240. Id at 340.
241. See generally Merges, supra note 205, at 132–34.
invention. It is also possible for a patented invention to be covered by a preexisting (or blocking) patent. Nevertheless, patents are generally valuable, not simply because of the monopolistic profits that can be reaped during the term of the patent, but often because of the investment that has gone into creating the invention. Protecting patents allows inventors to recoup research and development expenditures. A patent is a valuable, federally created property interest protected by an elaborate legal framework.

2. The Risk of Erroneous Deprivation and Probable Value of Other Procedures

The second factor courts should consider under Mathews is the risk of erroneous deprivation and the probable value, if any, of additional or substitute procedures. The cases cited in Florida Prepaid speak to this aspect of the Mathews analysis. Parratt v. Taylor and Hudson v. Palmer teach that postdeprivation procedures may be constitutionally sufficient if there is no realistic opportunity for predeprivation hearings. In Parratt, a state prison official negligently lost a prisoner's hobby materials. In Hudson, a prisoner claimed that an officer intentionally destroyed his personal property during a shakedown. In neither case was it possible for the State to anticipate the unauthorized deprivation. The Court found no constitutional infirmity because postdeprivation remedies were available.

Florida Prepaid also cited Zinermon v. Burch, a § 1983 case involving a man who alleged that he had been voluntarily admitted to a mental hospital despite the fact that he was incompetent to make such a decision. Though not plead as a procedural-due-process claim, the Court took the occasion to elaborate on the limits of Parratt and Hudson. The dissent insisted that the alleged "random and unauthorized departures from otherwise unimpugned and established state procedures" put this case squarely within the Parratt doctrine, but Justice Blackmun found the circumstances distinguishable. Unlike Parratt and Hudson, it was not unpredictable, under the facts of Zinermon, that an incompetent person might seek admission to a mental hospital. Predeprivation process was not impossible. And since the State delegated its authority to deprive Burch of his liberty, the conduct of the hospital administrators could not be said to be unauthorized. Zinermon limits the scope of the Parratt doctrine. Predeprivation procedures are probably constitutionally re-

245. Parratt, 451 U.S. at 530.
246. Hudson, 468 U.S. at 520.
248. Id. at 141 (O’Connor, J., dissenting).
249. Id. at 136–39.
250. But see Bohannon & Cotter, supra note 212, at 1486-88 (discussing “narrow” and “expansive” readings of Zinermon).
quired if deprivations are authorized and predictable and process is not impossible. The fact that a state employee deviates from an established policy will not shield the policy from review.

Patent infringement is a deprivation of property. Unless an equitable defense (such as experimental use) can be asserted, infringement is by definition erroneous, and the risk of erroneous deprivation is coextensive with the risk of infringement. In determining the probable value of additional or substitute procedures, a Mathews-Zinermon inquiry will look into the state actors’ authority to deprive the private interest, the predictability of erroneous deprivations, and the possibility of predeprivation process. First, state employees who might infringe a patent are not likely to be expressly authorized to deprive a patentee of this property in the same way the hospital administrators were authorized to deprive Burch of his liberty. However, certain state actors, such as university researchers or administrative engineers, are likely to face infringement risks when acting within the scope of their employment. Second, the risk of infringement is predictable. As long as “unlicensed experiments [are not] conducted with a view to the adaptation of the patented invention to the experimenter’s business,” no erroneous deprivation occurs because inventors can take advantage of the experimental-use defense. The decision to exploit an invention for commercial purposes provides a predictable occasion for determining the risk of erroneous infringement. Third, predeprivation procedures are possible. A general screening process might alert state actors to the possibility of infringement and steer them away from using the invention or process in a manner that would surrender the experimental-use defense. Alternatively, the State could seek to secure a license from the patentee. The risk of erroneous deprivation is palpable, and the value of additional procedures is significant.

3. State Interests at Stake

Finally, the Mathews inquiry considers the State’s interests. In Goldberg, Justice Brennan described the governmental interest in terms of the Constitution’s charge to Congress to “‘promote the General Welfare, and secure the Blessings of Liberty to ourselves and our Posterity.’” The government also has an interest in making sure that benefits are not erroneously interrupted. Justice Brennan acknowledged the countervailing interest in “conserving fiscal and administrative resources.” In Mathews, Justice Powell focused on the government’s interest in “conserving scarce fiscal and administrative resources.” Thus, the government’s interests include the policies to be furthered and the burden imposed by the proposed procedural safeguards.

251. Florida Prepaid, 527 U.S. at 642.
254. Id. at 266.
255. Id. at 265.
On the one hand, States have an interest in supporting the federal patent system. The Constitution grants Congress power to regulate patents to promote progress in the sciences and useful arts. Pursuant to this authority, Congress has created an elaborate system by which the rights of patentees can be vindicated. Maintaining uniformity in the application of the patent laws promotes confidence in the system; an inventor is more likely to disclose her invention in a patent application if she is confident that her rights will be enforced. On a more practical level, States have an interest in protecting the patent rights of their citizens because States that fail to do so will be less likely to attract or retain technology- and research-intensive businesses. Independent of these considerations, the States have an interest in the continuing vitality of the federal system and in protecting privileges and immunities conferred by the United States.

On the other hand, States have a significant interest in avoiding the costs of an elaborate pre-deprivation process. Monitoring patent disclosures to anticipate literal infringements, not to mention possible applications of the doctrine of equivalents, might outweigh the benefits of a screening process. Preliminary screenings might also alert the plaintiff's bar to the possibility of infringement and embroil the State in additional litigation. Postdeprivation remedies implicate a State’s discretion in allocating its resources because inverse condemnations and infringement suits subject the State to the demands of a single patentee.

4. Sovereign Immunity and Procedural Due Process

In the abstract, it is hard to apply the Mathews balancing test with any precision. However, it is possible to draw some tentative conclusions about pre- and postdeprivation procedures in the context of patent infringement. First, patents constitute a valuable federal property right. Second, it is possible to predict when certain infringements are likely and to implement pre-deprivation procedures to obtain a license or otherwise avoid infringement. Then again, it is unlikely that the state actors at greatest risk of infringement possess sufficient authority to deprive patentees of their property. Third, the States have a significant interest in respecting the patent rights of their citizens. Countervailing state interests include conserving public resources and finances, especially when the costs and administrative burdens associated with a pre-deprivation remedy are likely to be enormous and the benefit uncertain. Postdeprivation remedies would more precisely address the need for compensation, although such procedures may themselves be burdensome.

Weighing the Mathews factors, it appears that a predeprivation remedy may ask too much of a State. Though the private interest is significant, the risk of erroneous deprivation is small (assuming the experimental-use defense would apply most of the time) and the burden imposed on the States is great. Consequently, a State’s decision not to provide predeprivation process would likely not offend the Constitution.

States may forego predeprivation process only if they provide constitu-
tionally adequate postdeprivation remedies. However, a State has a significant interest in avoiding trials and damage awards, not to mention protecting its sovereignty. A State might well choose to interpose its sovereign immunity between an aggrieved patentee and his recovery. Under *Martinez*, a policy precluding recovery in a state-based tort claim against the sovereign would not inherently violate the guarantee of procedural fairness. Whether the sovereign immunity defense is constitutional depends on a *Mathews* balancing test, where the private property interest and the State's interest in supporting the federal patent system are weighed against the State's interest in conserving resources.

Assuming that state interests in avoiding litigation and damage awards outweigh the private property interest and the State's countervailing interests in the federal system, a State would not violate procedural due process by pleading sovereign immunity in a state tort action predicated on patent infringement. Even if procedures would reduce the risk of infringement, a uniform policy denying relief could, under these assumptions, pass constitutional muster.

Alternatively, one might determine that the state interest in avoiding damage liability pales in comparison with the need for a strong federal patent system with a uniform remedy for infringement. The State's interest in not being hauled into court by a citizen might also be seen as trivial in comparison with the supposed impracticality of requiring States to implement costly, burdensome, and possibly ineffective predeprivation procedures. Under this interpretation, the sovereign-immunity defense would be unconstitutional, despite *Martinez*.

The issues in *Goldberg* and *Mathews* were practically identical, but the results quite different. It is hard to escape the impression that the result depended to a great extent on how the issue was framed. Here, too, the result hinges on how the decision maker characterizes the interests at stake. From one perspective, the assertion of sovereign immunity to defeat a patent-infringement claim is absolutely constitutional. From the other view, such an act is likely to be unconstitutional in the context of a State's infringement of the federal right conferred by a patent.

C. The *Mathews* Test and the PRA

The third step in the *City of Boerne* congruence analysis asks whether the statutory framework exhibits a consonance with the obligations imposed by the Constitution. In determining whether the PRA's abrogation of the States' sovereign immunity is congruent with the Constitution's guarantee of procedural due process, it is perhaps helpful to consider what Congress did not require when it enacted the PRA. Congress did not require a threshold inquiry into the constitutionality of the State's

257. *Id.* at 333.
258. The Chief Justice declared such considerations relevant in the Article I context but unpersuasive in the Fourteenth Amendment context. However, such policy considerations are the meat and potatoes of a *Mathews* balancing test.
assertion of sovereign immunity in each patent infringement case. The PRA does not require courts to consider the relative importance of a particular patent. Court are not allowed to find that patent A is a private interest of immense value because it yields returns to the patentee in the form of multimillion-dollar licensing fees, whereas, in another case, the private interest at stake with patent B is not all that important because the patentee cannot manage to meet certain regulatory hurdles and thus cannot market his invention. The PRA does not require plaintiffs to demonstrate that the risk of infringement by a particular state actor is great. The injured patentee need not prove that predeprivation procedures are constitutionally preferred because infringement is authorized and predictable and the implementation of predeprivation procedures is possible. The PRA does not require plaintiffs to prove the absence of a countervailing state interest. Neither must the state defendant argue that such interests as judicial economy or preservation of the public fisc justify its assertion of sovereign immunity in this particular case. In short, the PRA does not require threshold determinations that the State's assertion of sovereign immunity would violate procedural due process on the basis of the particular facts of each case.

Instead, the PRA states simply that state actors "shall not be immune, under the eleventh amendment of the Constitution of the United States... from suit in Federal court... for infringement of a patent under section 271, or for any other violation under this title."

Section 296(a) of the Patent Act does not parrot the constitutional guarantee. It imposes a general rule that prohibits certain behavior on the part of the States—the assertion of sovereign immunity in a patent-infringement suit—which may or may not be constitutional under the Fourteenth Amendment's guarantee of procedural due process.

Assuming that state interests in avoiding litigation and damage awards outweigh the private property interest at stake and the State's interest in the federal patent system, a State would not violate procedural due process by pleading sovereign-immunity to defeat a patent-infringement claim. Section 296(a) would thus target behavior that is likely to be constitutional. By denying States the right to invoke the sovereign-immunity defense, the PRA utilizes a rather strong measure to accomplish its purposes and appears to declare the sovereign-immunity defense procedurally unfair. The proportionality analysis tends to confirm the substantive effect of the PRA under these assumptions. As Florida Prepaid noted, Congress compiled only a scant record of infringement by the States, much less the widespread and persistent deprivation of constitutional rights sufficient to justify strong measures. Further, it is hard to imagine any violation of procedural due process under these circumstances so long as a State consistently applies its policy of sovereign immunity in postdeprivation procedures. Rather than preventing or remedying violations of procedural due process, the PRA appears to redefine the consti-

tutional guarantee. Under these assumptions, the PRA is not valid § 5 legislation and cannot abrogate the Eleventh Amendment.260

Alternatively, one might consider the PRA to be the product of an implicit Mathews analysis on the part of Congress. If Congress were to weigh the competing interests, it might reasonably conclude that the assertion of sovereign immunity to defeat a patent-infringement claim is likely to be unconstitutional. To reach this result, Congress need not redefine due process; it need only apply the existing constitutional rule. By providing a forum for the adjudication of patent-infringement suits and disallowing the sovereign-immunity defense, the PRA would enforce the constitutional guarantee of procedural fairness.

City of Boerne’s proportionality analysis ensures that enforcement legislation does not effectively redefine the constitutional rule. With no risk of redefinition, however, the proportionality inquiry should express “due regard for the decision of the body constitutionally appointed to decide” how and when enforcement legislation should be enacted.261 When Congress determines that the assertion of sovereign immunity in a patent-infringement suit is likely to be an unconstitutional deprivation of due process, Congress need only show that there is a risk that States will attempt to plead sovereign immunity. A state-by-state study of state procedures might help demonstrate the likelihood of unconstitutionality. But where the targeted state conduct is likely to be unconstitutional, geographical limits or sunset provisions may be superfluous.

However, if Congress possesses authority to apply the Mahers test and make a good-faith determination about the relative merits of the competing interests at stake—concluding that the assertion of sovereign immunity would be a violation of procedural due process in a particular instance—Seminole Tribe would seem quite vulnerable. Such a power in Congress to apply constitutional rules to draw a conclusion about the constitutionality of a particular policy choice might provide “a direct end-run around Seminole’s holding that Article I powers may not be employed to avoid the Eleventh Amendment’s limit on the federal judicial power.”262 But it is a power consistent with City of Boerne, and Congress may exercise it without redefining the constitutional rule.

What was said of Seminole Tribe can be said of Florida Prepaid: “This

260. Describing abrogation itself as a strong measure, however, seems to rig the analysis. Congress can abrogate the Eleventh Amendment only by enforcing the Fourteenth. One does not enforce by redefining. One risks redefining by using strong measures. The risk of redefinition demands a record of constitutional violations and a tailored response. If abrogating the Eleventh Amendment is itself a strong measure, it stands to reason that Congress can only do so when facing a record of constitutional violations and must even then tailor its response to the evil to be prevented. Following this reasoning, the congruence phase of the City of Boerne analysis becomes irrelevant.


case is about power.” The validity of Congress’ abrogation of the States’ Eleventh Amendment immunity in the PRA comes down to the question of who decides. Should the States, Congress, or the Supreme Court decide whether one set of interests is outweighed by another? Matthews suggests that this question is political in nature, best decided by the legislature. Given the federal policy implications of the patent regime, it seems reasonable that the federal legislature should decide whether assertion of sovereign immunity in the patent-infringement context is likely to be unconstitutional. Assuming that Congress can apply constitutional rules to state action to determine what kind of legislation enforces a particular guarantee, it is possible to conceive of the PRA as valid § 5 legislation enforcing procedural due process. The current Supreme Court, however, seems unwilling to defer to congressional application of constitutional rules.

V. JUST COMPENSATION

CSB argued that an infringing State “‘takes’ the property in the patent without paying just compensation” when it pleads sovereign immunity. The Supreme Court, however, chose not to consider CSB’s takings claim. Congress did not purport to enforce this guarantee of the Fourteenth Amendment, and the Solicitor General declined to defend it on those grounds. Thus, the Court suggested that consideration of the Just Compensation Clause as a basis for the Patent Remedy Act would be inappropriate.

CSB’s claim nevertheless merits consideration. The Fifth Amendment provides in relevant part: “nor shall private property be taken for public use, without just compensation.” This guarantee has applied to the States for more than a century. Whether the PRA actually enforces the Just Compensation Clause depends on its congruence and proportionality with the Constitution. The congruence inquiry asks three basic questions. First, what is the standard for a violation of the Just Compensation Clause? Second, given this standard, is the conduct targeted by the PRA likely to be unconstitutional? Third, does the statutory framework express a congruence with the constitutional standard? The second phase of the City of Boerne analysis looks for indicia of proportionality to ensure that pervasive regulation of constitutional conduct does not operate to redefine the Just Compensation Clause. Whether the PRA enforces the Takings/Just Compensation Clause depends on how broadly one con-

264. See Mathews v. Eldridge, 424 U.S. 319, 349 (1976) (deferring to “good faith judgments of the individuals charged by Congress with the administration of social-welfare programs”).
266. Florida Prepaid, 527 U.S. at 641–42.
267. Id. at 642 n.7.
268. U.S. CONST. amend. V.
strues the discretion of courts to award remedies not authorized under the Supreme Court's just-compensation cases.

A. The Constitutional Standard

A City of Boerne analysis of the just-compensation rationale begins with a description of the constitutional guarantee to be enforced. The Takings Clause "confirms" the power of government to appropriate property from private owners to itself. It "is designed not to limit the governmental interference with property rights per se, but rather to secure compensation in the event of otherwise proper interference amounting to a taking." The Just Compensation Clause, on the other hand, reflects the principle that government action should not be arbitrary: its "central aim . . . is to limit the 'government's power to isolate particular individuals for sacrifice to the general good.'" Whenever (1) private property (2) is taken (3) for public use (4) by a state actor duly authorized by law, (5) just compensation must be made. To understand the constitutional guarantee, it is necessary to examine each of these components.

1. Private Property

The "private property" element of a takings claim is typically self-evident. Most takings claims involve disputes over real property. The Supreme Court has classified a variety of property interests owned by nongovernmental persons or entities as private property covered by the Takings Clause, including, inter alia, a real estate lien, a materialman's lien, valid contracts, trade secrets and Indian artifacts.

In Andrus v. Allard, the Court considered whether federal laws affected a taking by prohibiting the sale of artifacts containing the feathers of protected birds. Although the Secretary of the Interior challenged the standing of the appellees to assert a constitutional claim with respect to feathers acquired after the passage of the pertinent congressional acts, the Court rejected the contention without questioning the existence of a

274. E.g., Palazzolo, 533 U.S. at __, 121 S. Ct. at 2454-55.
280. See id. at 54–55.
REDRESSING STATE PATENT INFRINGEMENT

property interest.\(^{281}\)

In *Ruckelshaus v. Monsanto*, the Court determined that the pesticide manufacturer possessed a property interest in trade secrets. The Court looked primarily to Missouri state law to demarcate the extent of Monsanto's property interest but had little difficulty with the suggestion that any such property was covered by the Takings Clause.\(^{282}\) The Court intimated that the Clause is as broad as the concept of property itself, citing Blackstone's definition of property to include all "products of an individual's 'labour and invention.'"\(^{283}\)

The Court has long recognized that the term "property" in the Takings Clause embraces not simply the "thing" owned but the bundle of rights inhering to the owner by virtue of her relation to that thing.\(^{284}\) Simply put, private property comprises the bundle of rights associated with property. The Court has treated these rights separately: "where an owner possesses a full 'bundle' of property rights, the destruction of one 'strand' of the bundle is not a taking, because the aggregate must be viewed in its entirety."\(^{285}\) For example, though the law complained of in *Andrus* interfered with the right to sell private property, it did not require the surrender of the artifacts and there was "no physical invasion or restraint" upon the artifacts—the appellees could still "possess and transport their property" as well as "donate or devise the protected birds."\(^{286}\)

2. Possessory and Regulatory Takings

The Supreme Court recognizes two classes of takings claims: possessory and regulatory takings.\(^{287}\) Heald and Wells define the possessory taking as "[a] government confiscation of property or a physical occupation of property" and suggest that it "constitutes the strongest sort of claim for compensation."\(^{288}\) A standard example of such a taking would be the government's exercise of its power of eminent domain to condemn land for a flood-control basin. Regulatory takings may occur when government actions go "too far" in limiting the use of property.\(^{289}\) Generally, a compensable 'taking' arises when regulation "denies all economically beneficial or productive use" of property.\(^{290}\) Elimination of all viable use is not absolutely necessary; where some value remains, courts consider "the character of the governmental action, its economic

\(^{281}\) See id. at 64 n.21.


\(^{283}\) Id. at 1003 (quoting 2 W. BLACKSTONE, COMMENTARIES *405).

\(^{284}\) See id. (citing United States v. General Motors, 323 U.S. 373, 377–78 (1945)).


\(^{286}\) Id. at 66.


\(^{290}\) Lucas, 505 U.S at 1015.
impact, and its interference with reasonable investment-backed expectations” in determining whether a taking has occurred. Such a taking might be effected when a regulatory body conditions a development permit on the granting of an easement or repeatedly denies development permits in a manner that indicates that permission will never be granted. Neither a possessory nor a regulatory taking need be permanent for the right to just compensation to attach.

3. Public Use

The theory of eminent domain rests on the assumption that the taking will be for a public use. The scope of the public-use requirement is “coterminous with the scope of a sovereign’s police powers.” The taking need only have “a conceivable public character.” Professor Cotter suggests that “it is difficult to imagine many uses by a state officer that potentially serve the minimal state interest necessary for them to be viewed as falling within the scope of his employment but which would not, at the same time, possess the ‘conceivable public character’ necessary to be deemed ‘public.’”

4. Duly Authorized by Law

To be cognizable under the Takings Clause, the deprivation must be “duly authorized by law.” As Professor Cotter notes, “the Fifth Amendment’s prohibition of uncompensated takings ‘is directed against the Government, and not against individuals or public officers proceeding without the authority of legislative enactment.’” Unless the deprivation is authorized “expressly or by necessary implication” by an act of the legislature, it “is not the act of the Government.” One approach to this issue would define authorization to embrace only those acts that are “substantially in compliance with the powers granted to them by congres-

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295. Cf. Volokh, supra note 213, at 1167–69 (finding the entire concept problematic and suggesting it be restricted to “rare situations of serious public need”).
297. Id.
299. Monsanto, 467 U.S. at 1016.
300. Cotter, supra note 273, at 569 (quoting Hoee v. United States, 218 U.S. 322, 335–336 (1910)).
sional statute or constitutional provision." This narrow view of the term might exclude acts outside the job description. A more liberal view would find authority in any act "sufficiently authorized by law to justify attributing it to the [government]." This view would require the legislature to specifically limit power to act in a certain manner for the act to be unauthorized. Monsanto appears to endorse the latter view. Thus, acts reasonably traceable to a statutory delegation of authority should be considered "duly authorized by law" unless the organic statute expressly withholds the power to effect a taking.

5. Just Compensation

If a state actor, duly authorized by law, takes private property for public use, the State must make just compensation to comply with its constitutional obligations under the Fourteenth Amendment. The taking itself is not unconstitutional—it is the failure to provide just compensation that offends the Constitution. The property owner must pursue the State’s compensatory procedures before alleging that the State violated its duty to provide just compensation.

The measure of just compensation is fair market value, that is, "what a willing buyer would pay in cash to a willing seller." As Judge Posner explained, "compensation in the constitutional sense is . . . not full compensation, for market value is not the value that every owner of property attaches to his property but merely the value that the marginal owner attaches to his property." Consequently, the constitutional concept of just compensation does not embrace consequential damages, punitive damages, legal costs or attorney’s fees. However, the Court has

303. Id. at 1556 (Scalia, J., dissenting).
304. See id. at 1555–56 (footnotes omitted) (citing Larson v. Domestic & Foreign Commerce Corp., 337 U.S. 682, 705 (1949)).
306. The risk for patent holders, obviously, is that the State would withhold authority to effect a taking via patent infringement. A patentee who suffers infringement at the hands of a state actor who acts without authority would be left to argue ratification of the act by the State or to sue the state official, who is unlikely to have resources to pay a judgment.
308. Id. at 195.
315. Dohany, 281 U.S. at 368.
inferred a right to interest under the Just Compensation Clause.316

B. IS THE REGULATED CONDUCT LIKELY TO BE UNCONSTITUTIONAL?

The second question in the City of Boerne congruence analysis concerns the constitutionality of the regulated conduct. Here, the targeted conduct is "state infringement of patents and the use of sovereign immunity to deny patent owners compensation."317 This inquiry can be separated into two questions. First, does state infringement of a patent constitute a taking? Second, would the assertion of sovereign immunity in an infringement-based takings action violate the Just Compensation Clause?

1. Is Infringement a Taking?

Whether the Takings Clause covers patents is, technically, an unsettled question. As long ago as 1882, the Supreme Court took it for granted that patents "cannot be appropriated or used by the government itself, without just compensation, any more than [the government] can appropriate or use without compensation land which has been patented to a private purchaser."318 This broad statement notwithstanding, most of the Supreme Court's references to patents as being within the protection of the Takings Clause can fairly be characterized as dicta.319 Yet, only one modern court has held patents to be outside the scope of the Takings Clause.320 The academic community rejects that reading.321 Trade secrets, those evanescent state-based intellectual-property rights, are protected from unconstitutional takings.322 Dictum in Florida Prepaid...
strongly implies coverage. Patents are "surely included within the [pri-

vate] property of which no person may be deprived by a State" without
just compensation.

Heald and Wells suggest that patent infringement be treated like a pos-
sessory taking. 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 bu-
reaucrats or university professors for the state's own use." As noted
above, a 19th-Century Supreme Court embraced the possessor model.
The usefulness of this analogy is limited by the very nature of intellec-
tual property. A possessory taking of real or personal property directly
interferes with every stick in the proverbial bundle: the rights to possess,
exclude, use, transfer, destroy/alter, or enjoy the fruits and profits of the
property. Intellectual property is problematic because ideas can be pos-
sessed by more than one person. The State can put a patent to public use
without eliminating the patentee's ability to use the patent himself. In
such event, a patentee can still gather fruits of his labor, prevent nongov-
ernmental competitors from infringing, or license or transfer his right to
others.

In Ruckelshaus v. Monsanto, the Court found that certain trade secrets
had been 'taken' by a change in a regulatory scheme. To discern
whether a taking occurred, the Court applied the complex of factors
courts consider when not all beneficial use of property is destroyed by
governmental action. These factors include the character of the govern-
mental action, its economic impact, and its interference with reasonable
investment-backed expectations. Congress explicitly guaranteed that
certain trade secrets could not be divulged, then allowed for their disclo-
sure. Though Congress had an undeniable right to regulate Monsanto's
activities, the promise not to disclose trade secrets created a reasonable
expectation of confidentiality that justified Monsanto's financial invest-
ments. The Monsanto Court did not even discuss the first two factors
because this factor overwhelmed any weight that could be assigned to
them.

323. Florida Prepaid, 527 U.S. at 642 (citing Brown v. Duchesne, 60 U.S. (19 How.) 183,
197 (1857) and Consol. Fruit-Jar Co. v. Wright, 94 U.S. 92, 96 (1877)).
324. Id. at 642.
325. Heald & Wells, supra note 271, at 870.
327. Unlike real property, a patent cannot easily be destroyed.
330. Monsanto, 467 U.S. at 1005. The Supreme Court's recent decision in Tahoe-Sierra
Preservation Council, Inc. v. Tahoe Regional Planning Agency, ___ U.S. ___,
2002 U.S. LEXIS 3028 (Apr. 23, 2002), endorsing the consideration of the Penn Central factors where
not all beneficial use of property is destroyed by regulation, lends support to the application
of the Penn Central analysis here.
Applying these factors to patent infringement, the typical infringement would likely effect a taking if perpetrated by a duly authorized state actor. At least until Florida Prepaid introduced uncertainty into the patent regime, it was eminently reasonable for a patentee to invest in an invention with the expectation of enjoying exclusive rights, even against the States. No matter the strength of the governmental purpose, the State's interference with the patentee's reasonable investment-backed expectations would be of such overwhelming importance that a taking must be acknowledged. Patent infringement violates the central aim of takings law by "forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole." An infringing State decreases the value of the patent by co-opting part of the return, thereby diminishing the incentive to invent and frustrating the constitutional purpose. Such an act demands just compensation.

2. Sovereign Immunity and Just Compensation

Assuming that patent infringement by the State effects a taking, the question becomes whether the assertion of sovereign immunity to defeat a claim violates the Just Compensation Clause. In City of Monterey v. Del Monte Dunes at Monterey, Justice Kennedy remarked that the Court has not yet decided whether "the sovereign immunity rationale retains its vitality in cases where the [Fifth] Amendment is applicable." In Supreme Court decisions dealing with patent-infringement claims against the United States before the Act of June 25, 1910, the troubling question was whether the federal Court of Claims had jurisdiction to hear such suits. The immunity of the United States was not seriously questioned. It seems clear that Congress has long understood that sovereign immunity should not bar recovery of just compensation. In Texas, an inverse condemnation proceeding is considered "a limited exception to the doctrine of sovereign immunity." Regardless the explanation, allowing States to assert sovereign immunity in the face of a taking would render the Just Compensation Clause a nullity. Such behavior is likely to be unconstitutional.

C. THE PRA AND THE CONSTITUTIONAL STANDARD

The third step in the City of Boerne congruence analysis involves a comparison of constitutional and statutory standards of liability to deter-
mine whether legislation is congruent with the Fourteenth Amendment provision to be enforced. Assuming that the assertion of sovereign immunity in a takings case would violate the just-compensation guarantee, Congress can legislate to prevent unconstitutional behavior so long as the legislation enforces and does not redefine the Just Compensation Clause. To measure the PRA’s congruence, we must ask two questions: (1) whether the Act’s definition of infringement is consistent with the definition of a taking, and (2) whether the Act’s remedies for infringement are congruent with the meaning of just compensation.

1. The Takings Clause

The Takings Clause defines the circumstances that trigger the States’ obligation to pay just compensation. In this respect, it articulates the constitutional standard for liability: a state actor, duly authorized by law, takes private property for public use. To measure the PRA’s congruence, we must compare its standard for liability against the constitutional standard.

The general rule against infringement is stated in § 271 of the Patent Act: “Except as otherwise provided in this title, whoever without authority [of the patentee] 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 therefore, infringes the patent.”

337 The PRA applies this rule to “[a]ny State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity.”

338 It appears to track the requirements of the Takings Clause fairly precisely: It applies to state actors; its application to officials and employees acting in their official capacity implies that the Act is limited to infringements that are duly authorized by law; it protects a form of private property.

339 The public-use requirement is missing, but the Supreme Court’s expansive reading of the requirement suggests that its omission is of little consequence.

340 To this extent, the PRA does nothing more than “parrot” the constitutional guarantee.

The PRA’s conception of infringement deserves closer attention because § 271 is not limited to direct infringements. It includes both contributory infringement and indirect infringement under the doctrine of

338. Id. § 296(a) (1994).
339. Bohannon and Cotter suggest that “some common uses of intellectual property by state actors do not implicate the Fifth Amendment due to lack of sufficient legislative authorization,” and conclude that the Takings Clause cannot support the PRA. Bohannon & Cotter, supra note 212, at 1475. Regardless which test is used to define authorization, § 269(a) can fairly be read to reach only those infringements that duly authorized by law.
equivalents. The prohibition against contributory infringement "protect[s] patent rights from subversion by those who, without directly infringing the patent themselves, engage in acts designed to facilitate infringement by others." The Supreme Court has recognized that "[t]his protection is of particular importance in situations . . . where the technicalities of patent law make it relatively easy to profit from another's invention without risking a charge of direct infringement." Contributory infringement "sweeps into the net of infringement the making, use or sale of less than the entire patented device." It also embraces inducement, i.e., behavior that "amounts to an attempt to appropriate the value of an invention," including instructing others how to infringe. Unlike ordinary infringement, contributory infringement requires a showing of knowledge or intent. Under the doctrine of equivalents, "a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention." The Supreme Court has opined that "to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing."

Whether contributory or indirect infringements rise to the level of a compensable taking depends on the relative importance of the governmental action, the economic effect on the patentee, and the infringement's interference with the reasonable investment-backed expectations of the patentee. With respect to contributory infringement, a government's facilitation of infringement is doubtlessly negative in character and of dubious social value. The economic effect on the patentee would vary widely, depending on how fully the patentee (or her licensee) has developed the market. Finally, inventors willingly incur research and development costs and disclose valuable information in hopes of securing the protections of the patent laws, which include a protection against contributory infringement. This final factor was considered so overwhelming in Monsanto that the Court did not even discuss the other factors. This same analysis can be applied to indirect infringement under the doctrine of equivalents, although the government action could very well benefit the general welfare.

343. Although a judicial doctrine, the doctrine of equivalents would apply to the States because such infringement is considered an "infringement of a patent under section 271." Id. § 296.
345. Id.
346. MERGES, supra note 206, at 293.
347. Id.
It is worth noting that certain varieties of patent infringement would not amount to a taking. For example, use of a patented invention purely for research purposes would likely not constitute a taking. The government action is highly beneficial to society, advancing progress in the sciences. The economic effect on the patentee's use of the invention is negligible. Given the long-standing character of the experimental-use defense, the patentee has no reasonable investment-backed expectation with respect to infringements qualifying for the defense. On balance, such infringements fall within the class of state actions for which no compensation is constitutionally required. Similarly, it is unlikely that a taking occurs when a state medical practitioner uses a medical method covered by a patent. Without a doubt, enforcing the exclusive rights of the patentee in this context would be detrimental to the general welfare. Although the economic impact on the patentee (in the form of lost licensing fees) is significant, the reasonableness of investment-backed expectations is questionable. As it happens, Congress has barred compensation to holders of medical-method patents when those patents are infringed by medical practitioners. In the context of state infringement of a privately held patent, this exclusion can be viewed as a valid exception to the general rule: no taking, no liability.

As a rule, patent infringement under § 271—whether direct, indirect or contributory—will constitute a taking even when not all economically beneficial or productive value is destroyed. No relief is available for certain "infringements," such as experimental uses and the use of a patented medical method by a medical practitioner. These exceptions appear to be consistent with the notion that certain acts that leave some economically beneficial or productive uses will not constitute a taking. By requiring States to abide by § 271, the PRA regulates conduct which is likely to be classified as a taking.

2. The Just Compensation Clause

To judge the PRA's congruence with the Just Compensation Clause, it is necessary to compare the remedies available under the PRA with those permissible in a takings suit. Section 269(b) provides that "remedies (including remedies both at law and in equity) are available for the violation [of § 271] to the same extent as such remedies are available for such a violation in a suit against any private entity." Thus, under the PRA,

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353. Florida Prepaid declined to consider the relevance of remedies in the context of its due process analysis. See 527 U.S. at 645.
States are potentially liable for damages, interest, costs, treble damages, attorneys' fees and the additional remedy for infringement of design patents. Though not specifically authorizing injunctive relief, the parenthetical reference to equitable remedies would support a request for such relief. In patent-infringement suits, damages may be awarded in the form of lost profits or a reasonable royalty. Consequential damages are not recoverable.

The modes of calculating damages in patent-infringement suits are directed at finding the market value of loss caused by the infringement. This is consistent with the objectives of the Just Compensation Clause. The PRA provides for the payment of interest, just as is required by the Constitution. Although not required under the Just Compensation Clause, the PRA authorizes courts to award attorneys' fees and costs, but only under extraordinary circumstances. Likewise, though the courts might be authorized to issue injunctions, such relief is within the discretion of the trial judge. Preliminary injunctions in particular are subject to a balancing test that includes consideration of the public interest.

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355. 35 U.S.C. § 284 ("damages adequate to compensate for the infringement, but in no event less than a reasonable royalty").
356. Id. (Interest shall be "fixed by the court.").
357. Id. (Costs shall be "fixed by the court.").
358. Id. Damages may be increased by as much as three times if there is a finding of willful or wanton infringement. See Bott v. Four Star Corp., 807 F.2d 1567 (Fed. Cir. 1986) and Read Corp. v. Portec, Inc., 970 F.2d 816, 826 (Fed. Cir. 1992).
359. Id. § 285 ("The court in exceptional cases may award reasonable attorney fees to the prevailing party."). See Stevenson v. Sears, Roebuck & Co., 713 F.2d 705, 713 (Fed. Cir. 1983) (requiring "unfairness, bad faith, inequitable conduct, vexatious litigation, or some similar exceptional circumstance" to justify awarding attorneys' fees).
360. Id. § 289.
361. Id. § 283. See also Roper Corp. v. Litton Sys., Inc., 757 F.2d 1266, 1270–73 (Fed. Cir. 1985) (detailing requirements for preliminary injunction); Merges, supra note 206, at 321–33 ("When a full trial concludes with a finding of infringement, there is almost never any doubt that a permanent injunction will issue."). But see Foster v. Am. Mach. & Foundry Co., 492 F.2d 705, 713 (Fed. Cir. 1983) (upholding a reasonable royalty damage award but no injunction).
363. Id. at 1157–58 (quoting Goodyear Tire and Rubber Co. v. Overman Cushion Tire Co., 95 F.2d 978, 984 (6th Cir. 1937), in turn quoting Rockwood v. Gen. Fire Extinguisher Co., 37 F.2d 62, 66 (2d Cir. 1930)) ("A reasonable royalty is an amount which a person, desiring to manufacture and sell a patented article, as a business proposition, would be willing to pay as a royalty and yet be able to make and sell the patented article, in the market, at a reasonable profit.").
365. See supra notes 362-64.
366. See supra notes 311-13 and accompanying text.
367. See supra note 316.
368. See supra notes 314-15, 357, & 359.
369. See 35 U.S.C. § 283 (1994) (Courts "may grant injunctions . . . on such terms as the court deems reasonable.").
which is implicated whenever a federal court deigns to issue an injunction against a State.

The issue of treble damages is more difficult. Generally speaking, treble damages may be awarded upon a finding of willful patent infringement. The Federal Circuit has adopted a list of factors for courts to consider when determining whether treble damages should be awarded in infringement cases:

(1) whether the infringer deliberately copied the idea in the patent; (2) whether the infringer investigated the scope of the patent and acted on a good-faith belief that it was not infringing a valid patent; and (3) the infringer's behavior as a party to the litigation. Additional factors the Court might consider are: (4) the defendant's financial resources; (5) closeness of the case; (6) duration of the defendant's conduct; (7) remedial action by the defendant; (8) defendant's motivation; and (9) whether the defendant attempted to conceal its misconduct.

These factors assume that treble damages under the Patent Act are intended to be punitive. Dictum in Florida Prepaid concurs with this view. Alternatively, treble damages can be seen as a means of compensating for damages that cannot be adequately measured. Inasmuch as the former view is well entrenched, the PRA would allow the award of treble (punitive) damages against a State even though such damages are inconsistent with the idea of just compensation. As with attorneys' fees, costs, and injunctive relief, the award of treble damages is conferred to the discretion of the court. A federal judge cognizant of federalism concerns would be prudent not to award punitive damages against a State. Such an exercise of discretion, however, is in tension with § 289(b), which requires courts to assess remedies against the States "to the same extent as such remedies are available for such a violation in a suit against any private entity."

How one interprets this mandate determines whether the PRA enforces the Just Compensation Clause or significantly enlarges the obligations of the States beyond the requirements of the Constitution. If the latter view prevails, the fact that Congress found no "evidence of massive or widespread violation of patent laws by the States either with or with-

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374. G. Robert Blakey, Of Characterization and Other Matters: Thoughts about Multiple Damages, 60 L. & CONTEMP. PROB. 97 n.51 (1997) (citing Schwarzel v. Holenshade, 121 F. Cas. 722 (No. 12,506) (S.D. Ohio 1866)) ("recovery of treble damages designed to compensate fully where actual damages would be inadequate"). See also Smith v. Wade, 461 U.S. 30, 36 n.5 (1983) (suggesting that treble damages under Act of July 8, 1870, the revised patent code, were not punitive in nature).
out this State immunity,' but coupled with the lack of tailoring, would tend to suggest that the PRA is effectively substantive with respect to the Just Compensation Clause. If the former view prevails, then the PRA is valid enforcement legislation and Congress properly abrogated the States' Eleventh Amendment immunity. Because the PRA requires courts to treat States no differently than private citizens and there is little evidence that the States are rampantly violating their obligation to pay just compensation, it is more likely than not that the PRA redefines the meaning of just compensation. Insofar as it fails to enforce the Just Compensation Clause, the PRA cannot abrogate Eleventh Amendment immunity and the courts properly dismissed the case against Florida Prepaid.

VI. RESPONDING TO FLORIDA PREPAID
A. AVAILABLE STATE REMEDIES

The Florida Prepaid Court repeatedly chastised Congress for failing to determine what state-law remedies were available to injured patentees before concluding it was necessary to abrogate state sovereign immunity to enforce the Due Process Clause. As discussed above, there is no great need for Congress to compile an extensive legislative record of state abuses when § 5 legislation does not change the meaning of the constitutional right it purports to enforce. However, absent congressional legislation that conforms with City of Boerne or state waiver of Eleventh Amendment immunity by statute, patentees who seek to enforce their rights against state infringers must rely on state law for redress. A comprehensive survey of possible state-law actions for patent infringement by state actors is beyond the scope of this paper, but a brief look at Texas law provides a glimpse at some of the difficulties injured patentees face.

1. Common-Law Torts

Because Congress preempted the States in the field of patent law at least 165 years ago, any suit to recover against a State for patent infringement must be shoehorned into another cause of action. In Florida Prepaid, Chief Justice Rehnquist identified several potential causes of action that might form a basis for relief, including restitution, deceit, unfair competition, and conversion. In Texas, relevant common-law torts in-

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378. Id. at 646–47.
379. Florida Prepaid, 527 U.S. at 643–44.
381. Florida Prepaid, 527 U.S. at 648 & n.1 (Stevens, J., dissenting).
382. Id. at 643 n.8.
clude conversion,\textsuperscript{383} misappropriation,\textsuperscript{384} and fraud.\textsuperscript{385} Conversion is probably a poor choice, as Texas courts tend to limit its application to chattels, as opposed to intellectual property.\textsuperscript{386} Under Texas law, fraud requires proof of plaintiff's reliance on a material false representation made at least recklessly, but this fact pattern ill fits an infringement that involves no representation on the part of the State.\textsuperscript{387} Texas' misappropriation tort is grounded in theories of unfair competition and derives from the U.S. Supreme Court's decision in \textit{INS v. AP}.\textsuperscript{388} To recover under this theory a plaintiff must show "(i) the creation of plaintiff's product through extensive time, labor, skill and money, (ii) the defendant's use of that product in competition with plaintiff, . . . and (iii) commercial damage to the plaintiff."\textsuperscript{389} This theory seeks to prevent competitors from taking a "free ride," that is, gaining a special advantage because they bear little of the development costs incurred by the plaintiff.\textsuperscript{390} An injured patentee might easily frame an infringement claim in terms of the State's use in competition of a patented invention that was developed "through extensive time, labor, skill and money."\textsuperscript{391}

Even if a plaintiff could articulate a claim under any of these causes of action, the State's sovereign-immunity doctrine would require a prompt dismissal. Under the Texas Tort Claims Act (TTCA), Texas has waived its immunity to suits arising from two classes of injuries:

(1) \textit{property damage, personal injury, and death} proximately caused by the wrongful act or omission or the negligence of an employee acting within his scope of employment if:
   (A) the property damage, personal injury or death arises from the operation of use of a motor-driven vehicle or motor-driven equipment; and
   (B) the employee would be liable to the claimant according to Texas law; and

(2) \textit{personal injury and death} so caused by a condition or use of \textit{tangible personal or real property} if the governmental unit would, were it a private person, be liable to the claimant according to Texas law.

\textsuperscript{383} Morey v. Page, 802 S.W.2d 779, 786 (Tex. App.—Dallas 1990, n.w.h.).
\textsuperscript{384} United States Sporting Prods., Inc. v. Johnny Stewart Game Calls, Inc., 865 S.W.2d 214, 218 (Tex. App.—Waco 1993, writ denied).
\textsuperscript{386} United States Sporting Prods., 865 S.W.2d at 222 ("[C]onversion typically deals with chattels, and misappropriation deals with intangible property.").
\textsuperscript{387} Johnson & Higgins, 962 S.W.2d at 524.
\textsuperscript{389} United States Sporting Prods., 865 S.W.2d at 218.
\textsuperscript{390} Id.
\textsuperscript{391} Even then, the misappropriation tort would not provide complete coverage—the "product" requirement might be construed narrowly to embrace only those patents that have been turned into commercially saleable products, even though a patent can be enforced despite a decision not to develop it commercially.
Patent infringement cannot reasonably be considered a use of tangible personal or real property infringement rarely if ever cause personal injury or death, so subsection (2) would not apply. Even if “property damage” were construed broadly enough to cover the damage caused by infringement, subsection (1)(B) limits waiver to damage arising from automobile wrecks. Furthermore, the TTCA does not waive immunity for intentional torts. Some Texas courts have refused to allow intentional torts framed as negligence suits to pierce the sovereign veil. Thus, common-law claims will be ineffective to redress patent infringement by the State of Texas.

2. Inverse Condemnation

A plaintiff whose patent has been infringed by the State of Texas might be able to secure relief by asserting a claim grounded on Texas’ version of the Takings Clause. Article I, section 17 of the Texas Constitution provides that “[n]o person’s property shall be taken, damaged or destroyed for or applied to public use without adequate compensation being made . . . .” A lawsuit based on this provision, called an inverse condemnation, “is a limited exception to the doctrine of sovereign immunity.” To prevail in an inverse condemnation, the plaintiff must show that (i) a governmental entity intentionally performed certain acts; (ii) those acts resulted in the taking of the property; and (iii) such taking was for public use. No liability will attach for damages arising from negligent acts because “a damaging from unintended and negligent acts results in no benefit to the public.” Nor will the State be held liable unless “some

396. Steele v. City of Houston, 603 S.W.2d 786, 791 (Tex. 1980) (recognizing cause of action founded upon the takings clause of the Texas Constitution).
398. City of Abilene v. Smithwick, 721 S.W.2d 949, 951 (Tex. App.—Eastland 1986, writ ref’d n.r.e.)
399. Loyd, 956 S.W.2d at 128 (citing Tex. Hy. Dept. v. Weber, 219 S.W.2d 70, 72 (Tex. 1949)). The relevance of the term “negligence” in the context of patent infringement is questionable. Many infringements are “unintentional” in the sense that the infringer does not purposely seek to infringe, although his infringing acts are deliberate. Whereas this type of infringement might not rise to the level of the “shocking” infringement barred by the Due Process Clause, see generally supra Part III, it might very well be intended to benefit the public and thus be intentional enough to satisfy the first element of an inverse condemnation claim.
definite right or use in the undertaking" accrues to the public. 400

Though this cause of action might not provide relief in the usual case of unintentional infringement, it is the only exception to sovereign immunity potentially applicable to an infringed patent. 401 Unfortunately, it is far from clear that an injured patentee can even allege a taking of the type of "property" protected by the Texas Takings Clause. In Schneider v. Northeast Hospital Authority, 402 the First District Court of Appeals in Houston held that "trademark infringement is not a compensable taking" under the Texas Constitution. Refusing to construe the constitutional provision broadly (and relying on questionable precedent 403), the court declared that "[i]t is up to the legislature to add the tort of infringement to those torts for which immunity is statutorily waived." 404 Schneider was decided before Florida Prepaid altered the landscape of intellectual-property law, and another court interested in providing an adequate remedy for patent infringement might not take so narrow a view of article I, section 17 of the Texas Constitution. Consequently, the takings route is not necessarily closed to patentees. 405

3. Dynamics and Consequences of Relying on State Remedies

Assuming that the Texas Constitution requires adequate compensation for the infringement of a patent, it remains unclear whether foisting these claims on state courts adequately protects a patentee's rights. A petition alleging such a "taking" would be swiftly met with a denial that any valid property right exists, followed by a motion to dismiss for failure to state a claim. Put differently, the State would argue that the plaintiff's patent is invalid and thus represents no compensable property right. The state judge would be forced to conduct a Markman-type hearing 406 to determine the validity of the patent. 407 Because modern Texas judges have not

400. Id. ("Except in isolated instances, judicial decisions have narrowed the meaning of 'public use' to those situations in which the damages are incident to the construction and operation of a public work.").
401. See id. at 125–127 (discussing the other exception, nuisance, which requires proof of a condition that "substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of reasonable sensibilities attempting to use and enjoy it").
403. The court cited Porter v. United States, 473 F.2d 1329 (5th Cir. 1973), for the proposition that copyright infringement is not a taking, but failed to consider the impact of Ruckelshaus v. Monsanto Co., 467 U.S. 986 (1984). The court also relied on Garcia v. Peeples, 734 S.W.2d 343, 348 (Tex. 1987), which interpreted the federal Takings Clause not to cover "shared discovery" of trade secrets with a noncompetitor, but did not address the Texas Constitution.
405. Cf. Wilcox Indus., Inc. v. State, 607 N.E.2d 514, 515 (Ohio App. 1992) ("Where a patent owner seeks to recover just compensation for the government's unauthorized taking and use of his invention, the theoretical basis for his recovery is the doctrine of eminent domain.").
407. Lear, Inc. v. Adkins, 395 U.S. 653, 675 (1969) (declining to pass on issue of patent invalidity until the state court had considered the question in the first instance).
been required to apply federal patent law, they face a steep learning curve, one federal judges often have trouble climbing. Regardless the outcome of this hearing, appeals will work their way through the system, forcing the Texas Court of Appeals and the Supreme Court of Texas to interpret federal patent law. Ultimately, the disappointed party will seek relief not at the Court of Appeals for the Federal Circuit (the judicial body most familiar with the intricacies of patent law) but at the Supreme Court of the United States.

Even if the Nation's highest court denies the petition for certiorari and the claim is duly tried or dismissed, the question remains whether the state court's construction of the patent claims is binding on other courts. If not, the potential for inconsistent interpretations introduces significant uncertainty into the federal patent regime. This uncertainty is only exacerbated by the potential for inconsistent interpretation of patent law. Perhaps these concerns are speculative and overblown. At the very least, it is not obvious that the haphazard system that would rise from the ashes of Florida Prepaid is any better than the exclusively federal system it replaces.

B. Congressional Response

The congressional response to Florida Prepaid has been generally mild with only a few representatives giving it much attention. Senator Patrick Leahy of Vermont called the decision "deeply disturbing." Reading the decision to require a fully developed record before congressional action is possible under § 5, Senator Leahy decried the Court's "breathtaking lack of respect for a co-equal branch of Government." He continued, "Congress is not an administrative agency, and it should not be required to dot every 'i' and cross every 't' before taking action in the public interest." Senator Arlen Specter suggested that the decision "leave[s] us with an absurd and untenable state of affairs" wherein the States "enjoy an enormous advantage over their private sector competitors." Though surprised by the decisions, the Senator stated he was "even more surprised by the lack of reaction by Members of the House and Senate to this usurpation of Congressional authority." Senator Leahy introduced a strong bill designed to compel States to waive immunity in the fall of 1999. A House subcommittee held hearings on the bill in July 2000, but the bill never came up for a vote. In response to a request from Senator Orrin Hatch, the General Accounting Office pub-
lished in September 2001 a report on state infringement of intellectual property. A milder version of the Leahy bill was introduced in both the House and the Senate on November 1, 2001. The Senate Committee on the Judiciary held hearings on the bill in February 2002. The Bush Administration has yet to take a position on the new bill, which remained in committee as this book went to press.

1. Potential Congressional Responses

On July 27, 2000, the House Committee on the Judiciary Subcommittee on Courts and Intellectual Property held a hearing on state sovereign immunity and the protection of intellectual-property rights. Among those testifying at the hearing was Marybeth Peters, the Register of Copyright for the United States. Ms. Peters outlined five approaches to the current situation in which States "enjoy the benefits of federal intellectual property protection [but] are not subject to the same burdens that govern other participants in the federal intellectual property system." First, Congress might amend the Judicial Code to allow copyright and patent suits against States in state courts. Ms. Peters quickly dismissed that option as ineffective under Alden v. Maine, which allows States to assert sovereign immunity in state courts when the cause of action is based on federal law that does not allow for such suits in federal court. Ms. Peters also noted the potential for multiple state-court interpretations of the same federal statutes and the virtual lack of experience in these matters on the part of state judges.

Second, Congress might condition the disbursement of certain federal funds on a waiver of state sovereign immunity. For example, state col-

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418. Id.

419. Also testifying were: Todd Dickinson, Undersecretary for Intellectual Property at the Department of Commerce and Director of the U.S. Patent and Trademark Office; Professor Mark Lemley of the Boalt School of Law at the University of California at Berkeley; and Professor Daniel Meltzer of Harvard Law School.


421. Id.


Leges and universities might lose federal funding if the State failed to waive its immunity in federal intellectual-property infringement suits. Though such a scheme might be tailored to reach the likeliest offenders, Ms. Peters acknowledged that no court cases "explicitly refer to the spending power as a legitimate means of inducing voluntary State waiver of sovereign immunity." Furthermore, if a court were to find the amount of money conditioned on the waiver to be "so great as to become coercive, it may strike down the condition."

Third, Congress might give a federal agency power to bring suits against States to vindicate the rights of private parties. Ms. Peters identified several shortcomings with this approach. Such an agency is unlikely to be adequately staffed or funded during times of strict fiscal discipline. The relief would probably be no better than can already be secured under the Ex parte Young. Further, there is some doubt as to the constitutionality of a scheme that allows the federal government to sue a State to recover for injuries of individual citizens. Finally, the creation of such an agency runs counter to the current trend against expansion of the federal government.

Fourth, Congress might exercise its powers under § 5 of the Fourteenth Amendment to enact "appropriately-tailored legislation" to abrogate state sovereign immunity in federal intellectual property lawsuits. Ms. Peters suggested that "Congress must establish a strong record of infringement by States" before attempting to exercise its § 5 power. According to Ms. Peters, "the abrogation must be drafted so that it applies only to States that do not provide a remedy" for infringement. The abrogation contemplated by Ms. Peters would also cover only non-negligent infringements. Ms. Peters also opined that an abrogation requiring plaintiffs to demonstrate a deprivation without due process "might be impractical for individual litigants and thus ineffective."

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428. Id.


430. Peters Testimony, supra note 9 (citing Hawaii v. Standard Oil Co., 405 U.S. 251 (1972)).

431. Id.


434. Id.

435. Id.
Finally, Ms. Peters proposed that Congress “condition States’ exercise of federal intellectual property rights . . . on a waiver of sovereign immunity for infringement suits.” Because the Supreme Court has discarded the theory of implied waiver of sovereign immunity, this waiver must be express and voluntary. Such an approach must “induce States affirmatively to waive their immunity, most likely by state statute.” The idea of conditioning state participation in the federal intellectual-property system on express waiver of sovereign immunity was praised by everyone testifying before the House subcommittee. Ms. Peters downplayed suggestions that making the States expressly waive immunity in order to continue participating in the patent, copyright and trademark systems is overly coercive.

In addition to the proposals discussed by Ms. Peters at the House hearings, Professor Daniel Meltzer has identified three other potential solutions. For one, he suggested that Congress could create a cause of action allowing injured patentees to recover damages from state officials. This option would require only minor modification of the IP laws, including specific withdrawal of any qualified immunity ordinarily conferred on state officials. But such a suit would put plaintiffs in an undesirable position:

[Plaintiffs may have difficulty identifying and suing all the responsible individuals; it may be burdensome to adjudicate multiple claims against multiple individuals and prove their individual responsibility for the acts in question; juries may hesitate to award adequate damages against individual officers serving the public under often difficult conditions; and collecting on multiple judgments may be burdensome or, as a practical matter, impossible, for individual officials may have few if any resources from which a judgment could effectively be collected.]

On the other hand, it is possible that States would indemnify officials in such circumstances as well as provide counsel for those who are sued. This indemnification would result in a State-liability regime similar to the one struck down in Florida Prepaid. Though Professor Meltzer believes

436. Id.
439. U.S. Representative Howard Coble (R-NC) Holds Hearing on State Sovereign Immunity and Protection of Intellectual Property, House Committee on the Judiciary Subcommittee on Courts and Intellectual Property, (FDCH Political Transcripts July 27, 2000) (statement of Todd Dickson) (the PTO is “likely to recommend that Congress look very carefully at the possibility of eliciting waivers of sovereign immunity in exchange for the state’s ability to participate in the federal intellectual property system); id. (statement of Mark Lemley) (endorsing conditions that are “as related as possible to the thing that you want the states to give up”); id. (statement of Daniel Meltzer) (“conditioning the grant of new intellectual property rights on a state’s agreement to waive immunity seems to me promising”).
442. Id. at 1359.
443. Id.
that this state of affairs "hardly constitutes a blow for harmonious federalism,"\textsuperscript{444} the proposal's impracticality argues against its adoption.

Professor Meltzer identified a variation on this approach, which, he suggests, might obviate some of the difficulties outlined above. After a private litigant sues a state official for damages or an injunction or both, "[n]othing would . . . stop the United States from bringing a follow-up action . . . against the state, seeking a civil fine to be paid from the state treasury for the state's violation of federal law."\textsuperscript{445} Though the fines would be paid into the U.S. Treasury, Congress could authorize payment of a portion of those fines to the injured patentee. To forestall the necessity of follow-up litigation, Congress could create incentives for the States to make sure full payment of the initial judgment is paid.\textsuperscript{446}

Congress might also consider creating a qui tam action whereby the private patentee can bring suit against an offending State on behalf of the United States.\textsuperscript{447} This theory relies on the fact that the Eleventh Amendment does not prohibit the United States from suing a State. Professor Meltzer doubts this theory will hold water. The Supreme Court recently held that a relator bringing suit under a qui tam action is a private party suing as the assignee of the federal government's claim.\textsuperscript{448} If the Eleventh Amendment bars suits by private parties suing on their own claim, why, asks Meltzer, should a private party suing as an assignee fare any differently? Dismissing this approach, Meltzer agrees with Professor Caminker's assessment: "'[Q]ui tam authorization feels like something of a bootstrap; one might suspiciously view it as an effort to circumvent the Seminole Tribe/Alden rule that Congress cannot authorize private parties to assert their 'own' interests against the states.'"\textsuperscript{449}

Of these proposals, Professor Meltzer favors a scheme conditioning the release of federal funds on a State's waiver of immunity from suit.\textsuperscript{450} Alternatively, Professor Meltzer endorses the proposal that would condition the grant of additional IP rights on a State's waiver of immunity.\textsuperscript{451} In her House testimony, Marybeth Peters stated that effective abrogation of immunity was the preferable solution. However, to avoid "navigating the minefield of conditions laid down by the [Supreme] Court," Congress should "prospectively strip a State's intellectual property of protection unless that State waived its sovereign immunity for intellectual property suits in federal court."\textsuperscript{452}

\textsuperscript{444} Id. at 1361.
\textsuperscript{445} Id. at 1370.
\textsuperscript{446} Id. at 1370–72.
\textsuperscript{447} Meltzer, Overcoming Immunity, supra note 99, at 1365–66.
\textsuperscript{448} Id. at 1367 (citing Vt. Agency of Natural Resources v. United States ex rel. Stevens, 529 U.S. 765, 773 (2000)).
\textsuperscript{449} Id. at 1368–69 (quoting Evan H. Caminker, State Immunity Waivers for Suits by the United States, 98 Mich. L. Rev. 92, 134 (1999)).
\textsuperscript{450} Id. at 1389.
\textsuperscript{451} Id.
\textsuperscript{452} Peters Testimony, supra note 9.

On October 29, 1999, Senator Patrick Leahy of Vermont introduced Senate bill 1835, the Intellectual Property Protection Restoration Act of 1999 (S. 1835). This bill proposes, inter alia, to “provide States an opportunity to participate in the Federal intellectual property system on equal terms with private entities.” Senator Leahy proposes to accomplish this purpose through an “opt-in” procedure, whereby a State will assure to the Commissioner of Patents and Trademarks that the State will “waive sovereign immunity from suit in Federal court in any action against a State” as a condition to receiving the protection of federal intellectual-property laws. Should a State assert its sovereign immunity despite this assurance, “any application by or on behalf of a State . . . [would] be regarded as abandoned and . . . not be subject to revival.” In addition, the State would be barred from recovering damages or other monetary relief in any action to enforce intellectual property rights owned by the State at any time in the five-year period preceding the wrongful assertion of immunity. Furthermore, the State would not be allowed to opt back into the federal intellectual-property system for one year. Federal intellectual-property law is defined in S. 1835 to include laws relating to “patent, protected plant variety, copyright, mask work, original design, trademark, or service mark” rights. Consequently, the wrongful assertion of sovereign immunity in a copyright suit would affect the State’s eligibility to prosecute a patent application or recover monetary relief in a trademark infringement suit.

Senate Bill 1835 also defines the liability of States for violations of the intellectual property laws. If a State waives its immunity, it will be held liable to the same extent as a private party. Prospective relief is available against officers or employees of a State for infringement, including injunctions, attorneys fees, and declaratory relief. The bill also provides that a State (including any instrumentality, officer or employee of a State acting in an official capacity) which fails to waive immunity may be held liable for “take[ing] any of the rights of exclusion secured under [the patent laws] in violation of the fifth amendment of the United States

455. Id. § 111 (b). See also id. § 131(a) (identifying the Commissioner as the person to whom such assurances shall be delivered).
456. Id. § 113(a).
457. Id. § 113(b).
458. Id. § 113(c).
459. Id. § 101(1).
460. A State that has waived immunity would be subject to 35 U.S.C. § 271 by virtue of § 271(h).
Constitution, or depriv[ing] any person of any of the [same] without due process of law in violation of the fourteenth amendment.\textsuperscript{462} Compensation for such “constitutional violations” would include “damages, interest, and costs under section 284, attorneys fees under section 285, and the additional remedy for infringement of design patents under section 289.”\textsuperscript{463} Injunctions against future constitutional violations would also be allowed.\textsuperscript{464}

3. Weaknesses of S. 1835

Senate Bill 1835’s principal attraction is its appeal to fairness: “Equity and common sense tell us that one who chooses to enjoy the benefits of a law—whether it be a federal grant or the multimillion-dollar benefits of intellectual property protections—should also bear its burdens.”\textsuperscript{465} This opinion is plainly founded on the assumption that the State should be treated similarly as the private citizen, an analogy Professor Volokh has called into question.\textsuperscript{466} The bill appears to deny the States’ power of eminent domain with respect to intellectual property.

The bill also betrays hostility to the doctrine of state sovereign immunity. The State that breaches its agreement not to assert its sovereign immunity faces draconian consequences. The offending State not only abandons all pending applications and loses the right to opt back into the federal intellectual-property system for a year, but also surrenders—apparently indefinitely—the right to secure monetary relief from infringement of any intellectual property owned by the State in the five years preceding the wrongful assertion.\textsuperscript{467} Furthermore, the bill defines federal IP law to cover all varieties of intellectual property.\textsuperscript{468} Thus, the assertion of sovereign immunity in a patent suit (in spite of an express assurance to the contrary) would cause the State to lose its right to recover damages (including treble damages), attorneys fees, or costs in infringement suits relating to any of the copyrights or trademarks owned before the wrongful assertion.

Additionally, S. 1835 might be open to challenge under \textit{South Dakota v. Dole}.\textsuperscript{469} The Supreme Court has held that Congress may condition the disbursement of federal funds on the recipient State’s agreement to do some action Congress could not otherwise compel the State to do. However, this inducement reaches its constitutional limit where “the financial inducement offered by Congress [is] so coercive as to pass the point at which ‘pressure turns into compulsion.’”\textsuperscript{470} In \textit{College Savings Bank}, Jus-

\textsuperscript{462} Id. (proposed § 296 (b)(2)(A) & (3)(A)(i)).
\textsuperscript{463} Id. (proposed § 296 (b)(2)(B)).
\textsuperscript{464} Id. (proposed § 296 (b)(2)(A)(ii)).
\textsuperscript{466} See text accompanying notes 213-14, supra.
\textsuperscript{467} IPPRA ’99 § 113(b).
\textsuperscript{468} Id. § 101(1).
\textsuperscript{469} 483 U.S. 203 (1987).
\textsuperscript{470} Id. at 211.
tice Scalia stated, in dicta, that "where the constitutionally guaranteed protection of the States' sovereign immunity is involved, the point of coercion is automatically passed—and the voluntariness of the waiver destroyed—when what is attached to the refusal to waive is the exclusion of the State from otherwise lawful activity." Though Justice Scalia was explaining why constructive waiver of sovereign immunity failed constitutional scrutiny, it seems plain that a condition is coercive if a State is required to waive its sovereign immunity to acquire "otherwise lawful" federal intellectual-property rights. Granted, States that refuse to opt into the federal IP system would be able to protect currently owned intellectual property. Eventually, however, these rights will expire and the State will be excluded from the intellectual-property system altogether. This condition is coercive and probably unconstitutional. Reliance on S. 1835 to restore rights lost under Florida Prepaid will once again leave Congress with an incomplete patent regime.

The so-called constitutional remedy appears to be valid. Proposed § 296(b)(2) provides a remedy for violations of the Takings Clause or the Due Process Clause. The prohibition claims to reach as far as the Constitution's limits, but does nothing more than parrot the constitutional guarantees. Successful plaintiffs may recover damages and interest; in the discretion of the court, they can receive costs, attorneys fees, profits, and injunctive relief. No treble damages are authorized by the bill. As with the PRA, the question of congruence turns on a court's willingness to construe its ability to award extraconstitutional remedies as constrained by federalism. With respect to a due-process claim, the proposed remedies appear less onerous than the remedies available under § 1983.

From a purely pragmatic perspective, such enforcement legislation minimizes the risk of redefinition. So long as Congress avoids deviating from the constitutional text, it is unlikely to exceed its authority. But such an approach is lazy, bordering on an abdication of power to the courts. Congress possesses power to regulate the constitutional to prevent or remedy the unconstitutional. If Congress fails to use that power, unelected judges will fill in the gaps by determining what types of infringement constitute takings and what process is due when a State infringes a patent. City of Boerne says nothing about Congress' power to apply constitutional standards. In performing its constitutional role, Congress should not hesitate to "identify conduct transgressing the Fourteenth Amendment's substantive provisions, and . . . tailor its legislative scheme to remedying or preventing such conduct." It should not hesi-

472. See also Draft Bill Would Restore Right to Sue States for Infringement, 58 Pat. Trademark & Copyright J. (BNA) 806, 807 (Oct. 21, 1999) (commenting that "viability of this legislation will turn on whether the consequence for states that decline to waive their immunity . . . is considered a sanction or the denial of a gift").
473. Florida Prepaid, 527 U.S. at 639.
tate to enact thoughtfully crafted enforcement legislation reflecting a clear understanding of due process and just compensation.

4. Senate Bill 1611

Senate bill 1835 is now a dead letter. In November 2001 Senator Leahy introduced a new, less confrontational version of the condition-and-waiver approach. Rather than condition all IP rights on a waiver of immunity, the Intellectual Property Protection Restoration Act of 2001 denies a State the right to recover damages in suits enforcing its own IP rights unless the State has waived its immunity from infringement suits in federal court. In addition, S. 1611 codifies the *Ex parte Young* doctrine, which holds that federal courts may, notwithstanding the Eleventh Amendment, enjoin state employees from violating federal IP laws. Like S. 1835, the new bill creates a cause of action for those who believe their constitutional rights have been violated by a State's infringement.

The narrower condition has been praised for its "elegan[t]" symmetry. Marybeth Peters, testifying before a Senate committee in February 2002, endorsed the bill and expressed optimism that the incentive it creates "will be successful in encouraging States to level the playing field by waiving their immunity." Michael K. Kirk, Executive Director of the American Intellectual Property Law Association, emphasized the fairness of S. 1611 in comparison with S. 1835. Whereas the earlier bill would have "totally precluded [States] from acquiring a Federal intellectual property right unless it waived its sovereign immunity to suits arising under those laws," the new bill "giv[es] States the right to obtain patents, copyrights, and trademarks and to obtain injunctive relief in federal courts even if they never waive their sovereign immunity." Mr. Kirk

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474. *See Joint Bills Are Introduced to Restore Right to Sue States for IP Infringement*, 63 Pat. Trademark & Copyright J. (BNA) 24 (Nov. 9, 2001). The new bills appear to adopt many of the revisions to S. 1835 seen in drafts circulated in early 2000. *See Draft Revisions of State Immunity Bill Reveal Continued Interest in Reform*, 59 Pat. Trademark & Copyright J. (BNA) 545 (Feb. 11, 2000). The drafts shrank the scope of S. 1835's prohibition on damages to the IP rights at issue in a particular suit. *Id.* The drafts dropped the abandonment penalty and the one-year bar to state participation in the IP system. *Id.* The drafts also added the *Ex parte Young* remedy. *Id.* at 546. A draft circulated by the Copyright Office would withdraw federal-court jurisdiction over IP suits brought by States that had not waived immunity. *Id.* This approach has not been adopted by IPPRA '01.

475. IPPRA '01 § 3. See also H.R. 3204 (House version of the bill).

476. *Id.* § 4. Note, however, that *Ex parte Young* allows prospective injunctions against state employees, while IPPRA '01 allows monetary damages, declaratory and injunctive relief, costs, attorneys fees, and destruction of infringing articles, as provided by federal law.

477. *Id.* § 5.


expects that the "proportional incentive" in S. 1611 will be sufficient to induce States to waive their immunity.\textsuperscript{481}

Not everyone at the February hearings was ready to endorse S. 1611 as is. James Rogan, named director of the Patent and Trademark Office in January 2002, supported "a legislative answer to the questions raised by the Florida Prepaid cases" but indicated that the Bush Administration is "not prepared to endorse any particular bill at this time."\textsuperscript{482} Professor Paul Bender of the Arizona State University College of Law would go farther and preclude States from securing injunctive relief unless they waive immunity.\textsuperscript{483} And William E. Thro, general counsel for Christopher Newport University and special assistant attorney general for the Commonwealth of Virginia, denounced the bill as "flawed," unnecessary, and "contrary to the Supreme Court's current jurisprudence of 'dual sovereignty.'"\textsuperscript{484}

The condition imposed by S. 1611 is most likely constitutional under \textit{Dole} and the \textit{College Savings Bank} dictum. Nonwaiving States can still obtain, use, and defend patents, copyrights and trademarks; they simply cannot use federal law to recover monetary damages for infringement of those IP rights. From a policy perspective, however, it is unlikely to be as effective an incentive to induce waiver. Some States are absolutely prohibited from waiving immunity (by their state constitution or other legislation).\textsuperscript{485} States that can waive immunity are unlikely to do so as long as they can still protect their property by injunction.\textsuperscript{486}

In addition, the very existence of the so-called constitutional remedy might actually discourage States from waiving immunity. Under S. 1611, a nonwaiving State can be sued for acts amounting to violations of the Takings and Due Process Clauses.\textsuperscript{487} With respect to direct infringement, a statutory takings or due-process claim will differ only slightly from an ordinary infringement claim. But the remedies are substantially different. Waiving States expose themselves to treble damages.\textsuperscript{488} Nonwaiving States do not.\textsuperscript{489} Furthermore, waiving States can be held liable for infringements that would not necessarily be considered unconstitutional. From a substantive due process point of view, waiving States can be held

\textsuperscript{481} Id.
\textsuperscript{482} Panel Considers Bill, supra note 417, at 368.
\textsuperscript{483} See Intellectual Property Protection, Hearings before Senate Judiciary Comm., Feb. 27, 2002 (statement of Professor Paul Bender, Arizona State University College of Law) [hereinafter Bender Statement].
\textsuperscript{484} Panel Considers Bill, supra note 417, at 369.
\textsuperscript{485} See Hatch Report, supra note 415, at 15 (noting that at least twenty-two States cannot waive immunity).
\textsuperscript{486} See Bender Statement, supra note 483 ("[W]e respectfully question whether permitting States to retain their sovereign immunity while still allowing them to obtain injunctive relief... would provide many States with a sufficient reason to waive their immunity.").
\textsuperscript{487} IPPRA '01 § 5.
\textsuperscript{488} Nothing in the bill limits the remedies against States that waive immunity. Thus, the full force of 35 U.S.C. § 284 could be brought to bear upon an infringing State.
\textsuperscript{489} IPPRA '01 § 5(c)(2) (specifically excluding treble damages).
liable for unintentional (and thus likely constitutional) infringements for which a nonwaiving State would be held unaccountable.

Though the constitutional remedies purport to reach only acts that violate the Constitution, it is not altogether certain that this portion of the new Leahy bill even enforces the Fourteenth Amendment. The soft spot in the bill is the section that makes the showing necessary to recover under the constitutional remedy consistent with the proof necessary under the IP laws. Section 5(d)(1) declares that “the burden of proof” under the constitutional cause of action “shall be the same as if the action were brought under” the relevant IP statute. Considering the differences between the constitutional and statutory standards of liability discussed in this paper, the new bill’s attempt to make constitutional acts unconstitutional would plainly violate *City of Boerne*. Further, the bill’s imposition of remedies not available under the Just Compensation Clause might also amount to a substantive change of constitutional law by legislative fiat.490

C. RESTORING FEDERAL PATENT RIGHTS

An examination of three possible justifications for the PRA yields uncertain guidance for those who would amend the Patent Act to compensate patentees for infringements by state actors. The guarantee of substantive due process prohibits egregious abuses of power that shock the conscience. Little, if any, state infringement of patents is shocking in the constitutional sense. Subjecting the States to all varieties of patent claims in an attempt to prevent or remedy outrageous state conduct tends to erode the meaning of the substantive due process guarantee. Only a record of widespread and persisting unconstitutional deprivations would justify such strong measures. There is no basis for re-enacting state liability under this theory.

Abrogating state sovereign immunity in patent-infringement suits as a means of enforcing the guarantee of procedural due process rests on a firmer basis. The constitutionality of a set of procedures is determined by applying the *Mathews* balancing test, and a reasonable decision maker could find that the use of the sovereign-immunity defense to avoid liability in infringement suits is likely to be unconstitutional. The key question is, who gets to decide? The States, Congress, or the Supreme Court? Considering that Congress could bypass *Seminole Tribe* by finding violations of procedural due process under *Mathews*, the Supreme Court might not countenance a power in Congress to draw constitutional con-

490. See id. § 5(c)(1). An additional weakness of the bill, as with its predecessor and *Florida Prepaid* itself is failure to distinguish between procedural and substantive due process. As discussed in part IV, *supra*, the procedural due-process rationale provides an adequate basis for abrogating sovereign immunity all by itself. Also, § 5(d)(2) places the burden of proving an adequate state remedy on the State or state instrumentality accused of infringement. Insofar as the bill seems oblivious to the procedural due process rationale, it is unlikely that this provision is meant to allow the State a chance to defend against an alleged procedural violation. Instead, it hovers in the background, certain only as to how it will apply, oblivious as to when.
clclusions based on Supreme Court precedent.491 Drafting legislation based on concerns for procedural due process would merely invite a showdown.

Viewed through the lens of the Just Compensation Clause, the PRA might have altered the meaning of "just compensation." However, it is possible for lawmakers to draft legislation that would be congruent with this constitutional obligation. Congress could shape the remedial aspects of the law to match the Supreme Court's construction of the Just Compensation Clause. Should Congress choose to give abrogation another try, it might survive judicial scrutiny by doing the following:

1. Invoking the Fourteenth Amendment's guarantee of just compensation for state takings of private property for public use;
2. Clearly defining the level or degree of state authorization required for a cognizable taking;
3. Excluding costs, attorneys' fees, treble damages and injunctive relief;
4. Expressly authorizing a compulsory licensing scheme in lieu of damages;
5. Considering whether additional exceptions to the rule against infringement are necessary to align patent law with the idea of a taking;492
6. Investigating the legal redress available to injured patentees in each State; and
7. Compiling a record of difficulties faced by patentees seeking to assert their patent rights against state infringers since Florida Prepaid.

The first five suggestions align federal law with the constitutional standard. By excluding liabilities and remedies that are not recognized by the Court's takings and just compensation jurisprudence, Congress will show it understands its purpose is to prevent or remedy constitutional violations, not to redefine the meaning of "taking" or "just compensation." In particular, a compulsory licensing scheme would effectively allow the states to take a patent while paying just compensation. Missing from this list is a requirement that injured patentees pursue state remedies before seeking federal relief. Channeling these suits through state courts poses logistical difficulties and raises significant federalism issues.493 Congress' § 5 power is broad enough to provide a forum for hearing what amounts to an inverse-condemnation suit to prevent unconstitutional takings, so long as the standards by which liability is judged are consistent with the obligations imposed by the Constitution.

491. However, a refusal to acknowledge congressional power to draw such conclusions threatens our constitutional structure in ways more dangerous than any encroachment on state sovereign immunity.
492. Alternatively, Congress could create a state defense to infringement whereby the State could demonstrate that the infringement cannot reasonably be construed as a taking in light of the complex of factors considered when not all value is destroyed.
493. See, infra, part VI-A.
Furthermore, the study of state remedial systems and the record of pat-entee efforts to secure just compensation will demonstrate the risk of uncompensated takings. This information will help demonstrate the proportionality of any deviations from the constitutional norm. *City of Boerne* indicates that the showing required to demonstrate proportionality should not be great—so long as the legislation can fairly be understood to enforce rather than redefine the substantive protection against unconstitutional takings, the purpose of the proportionality inquiry is not implicated.

**VII. CONCLUSION**

*City of Boerne*’s congruence and proportionality analysis was adopted to distinguish between legislation that enforces constitutional guarantees and legislation that attempts to define the substance of those guarantees. Although *City of Boerne* does not deal with appropriateness per se, the congruence and proportionality analysis might best be understood as an explication of the limiting phrase in the *McCulloch* test: “all means which . . . consist with the letter and spirit of the constitution, are constitutional.” When enforcement legislation is congruent with the Supreme Court’s interpretation of constitutional protections, it consists with the letter of the Constitution. Indicia of proportionality confirm that legislation consists with the spirit of the Constitution. The deferential posture of *McCulloch* should remind courts that

the sound construction of the constitution must allow to the national legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable the body to perform the high duties assigned to it, in the manner most beneficial to the people.

When courts lose touch with the spirit of *McCulloch* and convert *City of Boerne*’s proportionality inquiry into a license to overturn valid enforcement legislation, the result is an overreaching akin to the usurpation of judicial prerogative rebuffed by *City of Boerne*. To prevent judicial overreaching, the question of proportionality should be considered secondary to the question of congruence, verifying the substantive quality of improper legislation rather than labeling enforcement legislation inappropriate. Congruence and proportionality analysis is a smoke detector, not a means of smoking out unconstitutional legislation.

It is instructive to note that the limitations *City of Boerne* cites as indicia of proportionality were described by an earlier sitting of the Court as inventive solutions to an intractable problem. When Congress legislates creatively, courts should not interfere unless the legislation holds the

495. *Id.*
States to an unjustifiably higher standard than is imposed by the Consti-
tution. If our representatives do not have the power to define the sub-
stance of the Constitution they swear to protect and defend, then, at the
very least, courts should show due deference to a coordinate branch of
government when careful reflection suggests that Congress has acqui-
esced to the Supreme Court's interpretation of the Constitution.

When Congress enacted the PRA in 1990, it did so to conform to a
Supreme Court decision that required it to expressly declare it is abrogat-
ing Eleventh Amendment immunity. In drafting the PRA, Congress re-
lied on a recent Supreme Court decision acknowledging Congress' power
to abrogate this immunity under article I of the Constitution. The Court
has since repudiated that decision, leaving Congress to rely (retrospec-
tively) on its enforcement power, which many in 1990 interpreted to be
virtually unrestricted. In 1996, however, the Court announced a new test
for the constitutionality of purported enforcement legislation. The Court
applied a strained interpretation of this test in *Florida Prepaid* and found
the PRA to be unconstitutional. The Court's shifting jurisprudence not-
withstanding, it appears that Congress failed to give much consideration
to what it was enforcing when it enacted the PRA. By evincing an under-
standing of the constitutional guarantee to be enforced, Congress should
be able to draft a new Intellectual Property Protection Restoration Act
that can withstand the scrutiny of a demanding Supreme Court. Until the
next change in the rules, that is.
Comments