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Are States Free to Pirate Copyrighted Materials and Infringe Patents--Pennsylvania v. Union Gas May Mean They Are Not

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ARE STATES FREE TO PIRATE COPYRIGHTED MATERIALS AND INFRINGE PATENTS?—
PENNSYLVANIA v. UNION GAS MAY MEAN THEY ARE NOT*

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I. INTRODUCTION

Copyright and patent law has developed a very large loophole. Every entity in the United States, including the federal government, can be sued for damages if they violate the federal copyright and patent laws—with the sole exception of the states. The states have been held to be immune from such suits under the eleventh amendment of the Constitution.

As the law presently stands, copyright owners are unable to sue state governmental bodies for damages for infringing their copyrights. In Lane v. First Nat'l Bank of Boston, the most recent U.S. Circuit Court of Appeals case dealing with copyright infringement by a state, the court concluded that “[a state] cannot be sued for infringement damages in federal court—or anywhere, for that matter.” The court in Lane went on to say that “the States—pending some future action by the Congress—continue to enjoy sovereign immunity in regard to damage suits charging copyright infringement.”

This is a very unfair situation. A report by the U.S. Copyright Office entitled “Copyright Liability of States and the Eleventh Amendment” evidences that if States are not held responsible under the federal copyright laws (as all other users are), the potential exists for immediate harm to copyright owners in the form of widespread copying. This illegal copying could result in increased prices for the infringed works and diminished creativity on the part of authors.

2. 871 F.2d 166 (1st Cir. 1989).
3. Id. at 174.
4. Id. at 176.
5. In March, 1989, Congress took steps to amend the Copyright Act of 1976 by proposing the “Copyright Remedy Clarification Act.” S. 497, 101st Cong., 1st Sess. (1989); H.R. 1131, 101st Cong., 1st Sess. (1989). This proposed bill would amend section 50(a) and section 910(a) of Title 17 of the United States Code by explicitly including States within the term “anyone” in defining who could be liable for copyright infringement. Senator DeConcini introduced this bill with the following
It also appears that patent owners are equally unable to sue a state for damages for infringing their patents. In *Chew v. California*, an apparent case of first impression, the Court of Appeals for the Federal Circuit held that states are immune from suit for patent infringement.7

This paper will discuss how such a large loophole in the law developed and the effect that the Supreme Court’s recent decisions will have on possible solutions. This discussion must necessarily begin with *Hans v. Louisiana*, a Supreme Court case decided almost one hundred years ago. *Hans* was the first Supreme Court decision to extend the scope of state eleventh amendment immunity beyond the specific limits stated in the text of the eleventh amendment. To prevent severe injustices which resulted from the broad sweep of state eleventh amendment immunity, the Supreme Court then recognized several exceptions to the general rule of state immunity: (1) express waiver; (2) injunctive relief; (3) implied waiver; and (4) direct abrogation.

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7. *Id.* at 12.
In *Atascadero State Hosp. v. Scanlon,*\(^9\) and its progeny, the Supreme Court changed the rules for interpreting congressional intent in cases involving state immunity from suit under the eleventh amendment. *Atascadero* disallowed the normal inquiry by courts into legislative history and policy considerations. The U.S. Circuit Courts of Appeal which have ruled on the issue of state amenability to suit for copyright infringement (post-*Atascadero*) have all found the states to be immune from suit because the text of the Copyright Act of 1976\(^{10}\) does not state "with unmistakable clarity" that Congress intended to abrogate state immunity either directly or through the states' implied waiver of their eleventh amendment immunity. However, Congress is in the process of amending the Copyright Act of 1976 to make their intention "unmistakably clear" in order to remedy what Congress considers to be a misinterpretation on the part of the courts.\(^{11}\)

However, Congress' revision of the Copyright Act may be of no avail if the Supreme Court decides that Congress doesn't have the power to abrogate state immunity when legislating pursuant to its powers under the Constitution's article I Patent and Copyright Clause. The Supreme Court's recent decision in *Pennsylvania v. Union Gas Co.*\(^{12}\) held that Congress had the power to abrogate state immunity when legislating pursuant to the Constitution's article I Commerce Clause. Most unfortunately, the court's rationale easily extends to Congress' other article I plenary powers, including the patent and copyright powers. If the federal courts are unwilling to extend the Supreme Court's holding in *Union Gas Co.* to the patent and copyright plenary power, Congress can apparently still use the implied waiver doctrine from *Parden v. Terminal Ry. of Ala. Docks Dep't,*\(^{13}\) to try to ensure that states will be amenable to suit. The implied waiver doctrine allows Congress to condition a state's participation in a federal program on the state's waiver of its eleventh amendment immunity, provided that Congress makes its intention

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to create such a condition unmistakably clear in the text of the statute.

II. LEGAL HISTORY

The Supreme Court is split as to the correct interpretation of the eleventh amendment. One view holds that the eleventh amendment gives the state immunity from suit because of the vital role played by sovereign immunity in our federal system. The other view holds that such immunity should be narrowly construed because it can be easily abused by the state to obstruct our federal system. The dispute centers on the precedent established by the Supreme Court almost 100 years ago in *Hans v. Louisiana* and the numerous cases that have followed that decision. Four justices have expressed their strong conviction that *Hans* should be overruled; however,

14. The eleventh amendment of the U.S. Constitution states that "[t]he judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI.


15. "*Hans v. Louisiana*, 134 U.S. 1 (1890), firmly established that the eleventh amendment embodies a broad constitutional principal of sovereign immunity." *Welch*, 107 S. Ct. at 2952.


a majority has been unwilling to directly overrule it.\textsuperscript{20}

In \textit{Hans v. Louisiana},\textsuperscript{21} the Supreme Court recognized a non-textual interpretation of the eleventh amendment which greatly broadened the scope of state immunity. \textit{Hans} held that the principle of sovereign immunity reflected in the eleventh amendment rendered the states immune from suits for monetary damages in federal court even when jurisdiction was premised on the presence of a federal question rather than on diversity.\textsuperscript{22} Thus, the eleventh amendment

\begin{quote}
"Hans v. Louisiana, 134 U.S. 1 (1890) can properly be characterized an 'egregiously incorrect.'" \\
\textit{Atascadero State Hosp.}, 437 U.S. at 304 (Stevens, J., dissenting).

\textit{Hans} has proven to be unsound, because it lacks a textual anchor, an established historical foundation, or a rationale. We should not forget that the irrationality of the doctrine has its costs. It has led to the development of a complex set of rules to avoid unfair results . . . . [I]t is a time to begin a fresh examination of eleventh amendment jurisdiction without the weight of that mistaken precedent.

\textit{Welch}, 107 S. Ct. at 2969-70 (Brennan, J., dissenting).

20. Relying to a large extent on the doctrine of \textit{stare decisis}, the Court in \textit{Welch} chose not to overrule \textit{Hans}.

Today, for the fourth time in little more than two years, see \textit{Papasan v. Allain}, 478 U.S. 265 (1985) (Brennan, J., dissenting); \textit{Atascadero State Hosp. v. Scanlon}, 473 U.S. 234 (1985) (Brennan, J., dissenting), four members of the Court urge that we overrule \textit{Hans v. Louisiana}, 134 U.S. 1 (1890), and the long line of cases that has followed it.

\textit{Welch}, 107 S. Ct. at 2948.

Again, in \textit{Dellmuth v. Muth}, 109 S. Ct. 2397 (1989), the court chose not to overrule \textit{Hans}. "We decline this most recent invitation to overrule our opinion in \textit{Hans}.” \textit{Id.} at 2401 n.2.

21. Hans, a citizen of Louisiana, sued the state of Louisiana in federal court alleging that the State’s failure to pay interest on certain bonds violated the Contract clause of the U.S. Constitution. \textit{Hans v. Louisiana}, 134 U.S. 1, 1-3 (1890). In \textit{Hans}, the Supreme Court held that the eleventh amendment could be extended to bar suit brought against a state by its own citizens. \textit{Id.} at 10-13, 20-21.

22. "In \textit{Hans v. Louisiana}, this Court held that the principle of sovereign immunity reflected in the eleventh amendment rendered the States immune from suits for monetary damages in federal court even where jurisdiction was premised on the presence of a federal question." \textit{Pennsylvania}, 109 S. Ct. at 2277 (citation omitted) (stating the holding of \textit{Hans v. Louisiana}, 134 U.S. 1 (1890)).

But in his dissent in \textit{Welch}, Justice Brennan explained why he believed that \textit{Hans} was incorrectly decided and why the eleventh amendment was intended to protect States only from federal suits premised on diversity, and not on federal suits premised on a federal question.

Since Congress had not granted federal question jurisdiction to federal courts prior to the [eleventh] amendment’s ratification, the amendment was not intended to restrict that type of jurisdiction. Furthermore, the controversy among the Ratifiers cited by the Court today, \textit{ante}, at 2963-64, involved only diversity suits. Moreover, the Court recognizes that the immediate impetus for adoption of the eleventh amendment was \textit{Chisholm v. Georgia}, 2 Dall. 419, 1 L.Ed. 440 (1793). \textit{Ante}, at 2965. \textit{Chisholm} was a diversity case brought in federal court upon a state cause of action against the State of Georgia by a citizen of South Carolina . . . .

\textit{Hans}, however, was a federal question suit brought by a Louisiana citizen against his own State. Ignoring this fact, the Court in \textit{Hans} relied on materials that primarily addressed
COPYRIGHT INFRINGEMENT was interpreted as barring a citizen from bringing a suit against his own state in federal court, "even though the express terms of the [eleventh] amendment do not so provide." Because of the injustices that would result if states were never held accountable in federal courts, the Supreme Court realized that it was necessary to allow exceptions to the broad eleventh amendment sovereign immunity of the states. As a result, the Court carved out four exceptions to the general rule of state sovereign immunity: (1) express waiver; (2) injunctive relief; (3) implied waiver; and (4) direct abrogation.

The first exception was already in place before the Hans decision. The Supreme Court had previously held that a state could "expressly" waive its eleventh amendment immunity and "expressly" consent to suit in federal court. The second exception was announced in Ex parte Young. The Court in Ex Parte Young held that the eleventh amendment did not bar a citizen from bringing a suit in federal court against the state.

The question of state sovereign immunity in diversity cases, and not on federal question cases, is plain from the face of the Hans opinion that the Court misunderstood those materials. In particular, the Court in Hans heavily relied on two sources: a statement by Hamilton in The Federalist, No. 81 and the views of Justice Iredell, who wrote the dissent in Chisholm. A close examination of both these sources indicates that they cannot serve as support for the holding of Hans or of the Court today.

The difference between eleventh amendment state sovereign immunity and common-law sovereign immunity. A federal district court recently described the distinction: "the eleventh amendment represents a restraint upon the federal judicial power to hear suits against an unconsenting state, whereas the doctrine of sovereign immunity goes to the question of whether the sovereign may be sued at all." United States v. Mottolo, 605 F. Supp. 898, 910 (D.N.H. 1985) (citation omitted).


See, e.g., Clark v. Barnard, 108 U.S. 436, 447 (1883) (holding that a state may effectuate an express waiver of its eleventh amendment immunity).

Ex Parte Young, 209 U.S. 123 (1908). Ex Parte Young was a suit for injunctive relief against the Attorney General of Minnesota. In Ex Parte Young, the plaintiff sought to prevent the enforcement of an allegedly unconstitutional state statute that involved state railroad rate and tariff restrictions that were allegedly confiscatory and, therefore, in violation of the Due Process Clause of the fourteenth amendment. Id. at 126-34.
suit for injunctive relief against a state official whose conduct violated the U.S. Constitution.29

A third exception was created in *Parden v. Terminal Ry. of Ala. Docks Dep't*.30 In *Parden*, the Court held that if the state chose to participate in a federal program, the state could be found to have "impliedly" waived its eleventh amendment immunity and "impliedly" consented to damage suits in federal court.31 The *Parden* Court stated that "when a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation."32

In later decisions the Court limited the implied waiver doctrine it had created in *Parden* by requiring that two conditions be met before the Court would find that a state had impliedly waived its immunity. The first condition was that a federal statute must create an express federal cause of action.33 The second condition was that a federal statute must state, in unmistakably clear language, Congress' intention to condition state participation in a federal program on a waiver of the states' eleventh amendment immunity.34

A fourth exception was created in *Fitzpatrick v. Bitzer*.35 The Court in *Fitzpatrick* held that Congress could directly abrogate the

29. The court adopted a legal fiction that a state official who acts pursuant to an unconstitutional state statute is "stripped of his official or representative character" and thus is not protected by the eleventh amendment. *Id.* at 159-60.


33. See *Edelman v. Jordan*, 415 U.S. 651, 673-78 (1974) (holding that Congress must have created an express federal cause of action under a federal program before a state can be found to have impliedly waived its eleventh amendment immunity).

34. See *Employees v. Missouri Dep't of Pub. Health and Welfare*, 411 U.S. 279, 280, 286-87 (1973) (holding that there must be clear evidence of Congressional intent before it could be held that Congress had conditioned state participation in a federal program on States' waiving their eleventh amendment immunity).

See also *Welch*, 107 S. Ct. at 2948 (expressly overruling the part of the *Parden* decision that "is inconsistent with the requirement that an abrogation of the eleventh amendment immunity by Congress must be expressed in unmistakably clear language").

35. In *Fitzpatrick v. Bitzer*, Connecticut state employees sued the state in federal court for
states' eleventh amendment immunity without the states' consent when Congress was acting pursuant to section 5 of the fourteenth amendment. In *Fitzpatrick*, the Supreme Court no longer required that an "implied waiver" be found before a citizen could sue a state for damages in federal court. This was the first recognition by the Court that Congress could directly abrogate state immunity independent of any consent, either express or implied, on the part of the states.

Because many copyright and patent infringement cases against a state seek money damages and rarely involve any express waiver of immunity by the state, the federal courts must usually focus on the applicability of the third exception (implied waiver) and the fourth exception (direct abrogation). Thus, in copyright and patent infringement cases against a state, federal courts are presented with the choice of applying the general rule of state immunity or of finding an implied waiver or a direct abrogation by Congress which would allow a state to be sued in federal court.

After *Fitzpatrick*, a split developed among the federal circuits as to whether states were immune from liability under the federal copyright laws. The Eighth Circuit held in *Wihtol v. Crow* that the state was immune from suit under its eleventh amendment immunity. However, in *Mills Music, Inc. v. Arizona*, the Ninth Circuit, citing *Fitzpatrick v. Bitzer*, held that the Patent and Copyright Clause gave Congress the power to abrogate the States' eleventh amendment immunity. Several other federal courts also expressed their con-

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36. Id. at 456.

Section 1 of the fourteenth amendment states that "nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." U.S. Const. amend. XIV, § 1.

Section 5 of the fourteenth amendment states that "[t]he Congress shall have power to enforce, by appropriate legislation, the provisions of this article." U.S. Const. amend. XIV, § 5.


38. Note that the *Wihtol* decision was rendered prior to both *Parden* and *Fitzpatrick v. Bitzer*, and thus was rendered before the Supreme Court had sanctioned either the implied waiver doctrine or the direct abrogation doctrine. *Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962); *Parden v. Terminal Ry. of Ala. Docks Dep't*, 377 U.S. 184 (1964); *Fitzpatrick v. Bitzer*, 427 U.S. 445 (1976).

flicting opinions. A similar split had also developed between federal district courts as to whether states were immune from liability under the federal patent laws.  

However, the Supreme Court recently modified the rules of analysis to be applied in state eleventh amendment immunity cases. In *Atascadero State Hosp. v. Scanlon*, the Supreme Court greatly narrowed its *Fitzpatrick* holding by announcing a new test which required that "Congress must express its intention to abrogate the eleventh amendment in unmistakable language in the statute itself." The Court in *Atascadero* stated that a general authorization by Congress was not enough. Congress must express its intent to abrogate State immunity "unequivocally" and "specifically," thus making its intention "unmistakably clear in the language of the statute."  

On its face, the *Atascadero* test seems very reasonable. After all, Congress should be required to make its intention clear on such a weighty matter as state immunity. However, the application of the *Atascadero* test is creating some problematic distortions in the law. The Supreme Court has changed the "test" that federal statutes must pass and is applying that test retroactively. When Congress passed statutes such as the federal copyright and patent laws, it assumed that the courts would look to the legislative history if there was a dispute as to Congress' intent. However, the *Atascadero* test has completely

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43. Id. at 243.
44. Id.
45. Id. at 246.
46. Id. at 242.
done away with the long established legal principle that courts will look to legislative history in determining legislative intent.\textsuperscript{47} Considering that even today it is not entirely certain what "unmistakably clear" words must be included in a federal statute in order to abrogate state immunity, it hardly seems reasonable to require that Congress have anticipated that such words would be required and then have defined what those words would be.

In \textit{Atascadero}, the Court only applied the strict new test to the "direct abrogation" exception to state immunity. However, in a subsequent case, \textit{Welch v. Texas State Dep't of Highways and Public Transp.},\textsuperscript{48} the Supreme Court held that the \textit{Atascadero} test of Congressional intent also applied to the "implied waiver" exception to

\textsuperscript{47} In Dellmuth v. Muth, 109 S. Ct. 2397 (1989), the father of a child with a learning disability sued the State under the federal Education of the Handicapped Act. \textit{Id.} at 2398-99. The Supreme Court in \textit{Dellmuth} made it very clear that courts should not look to legislative history in applying the \textit{Atascadero} test.

Lest \textit{Atascadero} be thought to contain any ambiguity, we reaffirm today that in this area of the law, evidence of congressional intent must be both unequivocal and textual . . . . In particular, we reject the approach of the court of appeals, according to which, "[w]hile the text of the federal legislation must bear evidence of such an intention, the legislative history may still be used as a resource in determining whether Congress' intention to lift the bar has been made sufficiently manifest." 839 F.2d, at 128. Legislative history generally will be irrelevant to a judicial inquiry into whether Congress intends to abrogate the eleventh amendment. If Congress' intention is "unmistakably clear in the language of the statute," recourse to legislative history will be unnecessary; if Congress' intention is not unmistakably clear, recourse to legislative history will be futile, because by definition the rule of \textit{Atascadero} will not be met.

\textit{Id.} at 2401.

The dissenting opinion in \textit{Dellmuth}, (written by Justice Brennan and joined by Justices Marshall, Blackmun and Stevens), refused to ignore legislative history and instead "[applied] the standard method for ascertaining congressional intent" and looked to the legislative history of the statute as well as the text. \textit{Id.} at 2403.

In Hoffman v. Connecticut Dep't of Income Maintenance, 109 S. Ct. 2818 (1989), the Court reaffirmed that courts should not look to legislative history in applying the \textit{Atascadero} test. \textit{Id.} at 2824. \textit{But also in Hoffman}, the same four dissenting Justices from \textit{Dellmuth} again refused to ignore legislative history. \textit{Id.} at 2824-27.

\textsuperscript{48} In Welch v. Texas Dep't of Highways and Pub. Transp., 107 S. Ct. 2941 (1987), an employee of the Texas Department of Highways and Public Transportation sued the Department and the State under the Jones Act, 46 U.S.C. § 688, for injuries she suffered while working on a ferry dock. \textit{Id.} at 2942. The Court in \textit{Welch} noted that granting the State immunity from suit in federal court would not leave the injured plaintiff without a remedy. "Welch is not without remedy: She may file a workers' compensation claim against the State under the Texas Tort Claims Act." \textit{Id.} at 2953 n.19.
state immunity which had been created in *Parden*.

Thus, Congress’ intention to condition participation in a federally regulated program on a state’s consent to suit, must be “unmistakably clear in the language of the statute.” It is now clear that the new test required by *Atascadero* and affirmed by *Welch* has changed the rules for the “implied waiver” exception as well as for the “direct abrogation” exception.

Although both the “implied waiver” and the “direct abrogation” exceptions must meet the *Atascadero* test, there is still a doctrinal distinction between these two approaches. Under the direct abrogation approach, the removal of the protection of state immunity is unilateral on the part of Congress. The states are not given a chance to preserve their sovereign immunity. Therefore, when Congress is legislating under a particular constitutional power (e.g., the Commerce Clause, the Patent and Copyright Clause), Congress must also have the power to abrogate state immunity under that constitutional clause.

The implied waiver doctrine, on the other hand, reserves the ultimate decision of immunity to the states, because a state may avoid suit in federal court by opting out of a given federal program. However, in many cases, a state’s power to opt out cannot be realistically exercised. For example, a state cannot realistically opt out of participating in the use and creation of copyrighted materials. Because the

49. “The questions presented in the petition for certiorari are: ... [w]hether the doctrine of implied waiver of sovereign immunity as set forth in *Parden* is still viable.” *Id.* at 2946 n.4 (citation omitted).

The Court in *Welch* then held that “to the extent that *Parden* ... is inconsistent with the requirement that an abrogation of eleventh amendment immunity by Congress must be expressed is unmistakably clear language, it is overruled.” *Id.* at 2948. Thus the “implied waiver” exception to state immunity is still valid. However, a federal statute now has to pass the *Atascadero* test of Congressional intent before a court can find an implied waiver of state immunity.

50. The *Welch* Court made clear that, to the extent earlier precedent may have suggested a more flexible approach, that precedent should be disregarded. *Lane*, 871 F.2d at 169 (citation omitted). “[T]he state seems to have been wiped clean; in the post-*Atascadero* era, no court to our knowledge has held that the Copyright Act passes the reformulated test for abrogation of eleventh amendment protection.” *Id.*


51. Also, until there is Congressional legislation, implied waiver is not a useful doctrine in the copyright and patent context because there is no language in the federal copyright or patent statutes expressly conditioning a State’s use of copyrighted or patented materials upon that State’s consent to suit in federal court.
implied waiver doctrine is based on the notion that a state has "constructively consented" to suit, it appears that the implied doctrine does not require that Congress be "found" by the courts to have the constitutional power to abrogate state immunity.\textsuperscript{52} Under the implied waiver doctrine, a state gives its consent to suit by participating in a given federal program. However, it is important to note that the Supreme Court appears reluctant to apply the implied waiver doctrine because "[c]onstructive consent is not a doctrine commonly associated with the surrender of constitutional rights."\textsuperscript{53} Apparently at least four of the Supreme Court Justices find very little remaining distinction between the "implied waiver" and the "direct abrogation" approaches to state eleventh amendment immunity.\textsuperscript{54}

Because the continued future of the implied waiver doctrine is somewhat in question, the "direct abrogation" approach appears to be the sounder approach. However, under the direct abrogation ap-

\textsuperscript{52} The Court stated in Atascadero State Hosp. v. Scanlon, 473 U.S. 234 (1985), that "[a] State may effectuate a waiver of its constitutional immunity . . . [by] waiving its immunity in suit in the context of a particular federal program." \textit{Id.} at 238 n.1. But the Court went on to say that a State's participation in programs funded under a federal statute was not sufficient to effectuate a waiver because Congress had not manifested "a clear intent to condition participation in the programs funded under the Act on a State's consent to waive its constitutional immunity." \textit{Id.} at 247. For a further discussion, see Kwall, \textit{Governmental Use of Copyrighted Property: The Sovereign's Prerogative}, 67 Tex. L. Rev. 685, 757 n.354 (1989).

\textsuperscript{53} \textit{Atascadero State Hosp.}, 473 U.S. at 238 n.1 (quoting Edelman v. Jordan, 415 U.S. 651, 673 (1974)).

Also, Eleventh Amendment Supreme Court opinions after \textit{Welch} have based their holdings on direct abrogation, but have not directly addressed the continued applicability of implied waiver.\textsuperscript{54}

\textsuperscript{54} To acknowledge that the Federal Government can make the waiver of state sovereign immunity a condition to the State's action in a field that Congress has authority to regulate, is substantially the same as acknowledging that the Federal Government can eliminate state sovereign immunity in the exercise of its Article I powers—that is, to adopt the very principle I have just rejected. There is little more than a verbal distinction between saying that Congress can make the Commonwealth of Pennsylvania liable to private parties for hazardous-waste-clean-up costs on sites that the Commonwealth owns and operates, and saying the same thing but adding at the end 'if the Commonwealth chooses to own and operate them.' If state sovereignty has any reality, it must mean more than this. \textit{Pennsylvania}, 109 S. Ct. at 2303 (Scalia, J., dissenting).

But apparently a majority of the Court was unwilling, at least in this case, to merge the "implied waiver" doctrine with the "direct abrogation" doctrine. The plurality opinion in the same case, \textit{Union Gas Co.}, stated that "[s]ince \textit{Union Gas Co.} itself eschews reliance on the theory of waiver we announced in \textit{Parden} . . . we neither discuss this theory here nor understand why the dissent feels the need to do so." \textit{Id.} at 2286 n.5.
proach, the issue of congressional power to abrogate state immunity becomes critical. The Court in **Fitzpatrick** held that Congress could directly abrogate the states' eleventh amendment immunity when Congress was acting pursuant to section 5 of the fourteenth amendment. The issue remained as to whether Congress could directly abrogate the state's eleventh amendment immunity when Congress was acting pursuant to other constitutional powers, particularly powers enumerated before the eleventh amendment was ratified.

The Supreme Court in **Welch** acknowledged that the scope of congressional power to abrogate state immunity was a fundamental issue which had yet to be addressed by the Supreme Court. The **Welch** Court assumed, "without deciding or intimating a view of the question, that the authority of Congress to subject unconsenting states to suit in federal courts is not confined to § 5 of the fourteenth amendment." 

Likewise, in **County of Oneida v. Oneida Indian Nation**, the Supreme Court assumed that Congress had the authority to abrogate the states' eleventh amendment immunity when acting pursuant to its article I power under the Commerce Clause.

Thus the issue of whether or not Congress has the power to abrogate state immunity pursuant to the Patent and Copyright Clause is a primary issue under the direct abrogation approach. Congress can always amend the federal copyright and patent laws in order to satisfy the strict **Atascadero** test. However, should the Supreme Court find that Congress does not have the constitutional power to abrogate state immunity under the Patent and Copyright Clause, then states will be immune from copyright and patent infringement suits for damages regardless of what Congress does.

**III. Remaining Issues**

The primary issue remaining to be resolved by the Supreme Court is whether Congress has the power to abrogate state immunity when

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55. *Welch*, 107 S. Ct. 2946.
57. If Congress is found to lack the constitutional authority, the only recourse that would allow suits against States in federal court would be a constitutional amendment.
legislating pursuant to the Constitution's article 1, section 8, Patent and Copyright Clause. If the Supreme Court holds that Congress does not have this power under the Patent and Copyright Clause, then there is no further point in looking to the language of the federal copyright and patent laws. If Congress does not have the power under the Constitution to abrogate state immunity, it cannot create that power by legislation. But if the Supreme Court holds that Congress does indeed have this power under the Patent and Copyright Clause, then the Court must make a further inquiry as to whether or not the language of the federal copyright and patent statutes meets the stringent test put forth in Atascadero and reiterated in Welch.

It is important to note that the policy considerations cited by courts to support the doctrine of eleventh amendment state immunity do not apply in copyright and patent infringement cases. The two policy goals of eleventh amendment state immunity are: (1) to prevent an undue drain on state treasuries; and (2) to maintain a balance of power between state and federal courts. As to the first policy, states can prevent an undue drain on their treasuries merely by complying with the federal copyright and patent laws. All that states have to do is pay for copyrighted material and for patent rights just as everyone else, including the federal government, is required to do. As to the second policy, because federal courts already have exclusive jurisdiction in copyright and patent cases, there is no struggle for power and jurisdiction between state and federal courts. In fact, in patent and copyright cases, the choice is not between a federal court and a state court, but between a federal court and no court.

58. The Patent and Copyright Clause states that Congress shall have the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. CONST. art. I, § 8, cl. 8.


61. In most cases, 'in determining whether Congress has abrogated the States' eleventh
A. Does Congress Have the Power to Abrogate State Immunity When Legislating Pursuant to the Patent and Copyright Clause? Pennsylvania v. Union Gas Co.

A recent Supreme Court case, Pennsylvania v. Union Gas Co., addressed the question of whether Congress has the authority to override state immunity when legislating pursuant to the Constitution's article I, section 8, Commerce Clause.62 This issue arose in a dispute over state liability for waste cleanup costs under Congress' Comprehensive Environmental Response, Compensation, and Liability Act of 198063 as amended by the Superfund Amendments and Reauthorization Act of 1986.64

Because of the splintered nature of the decision, the following table is offered as an aid in understanding who is agreeing with whom on the issue of Congress' constitutional authority to abrogate state immunity under the article I Commerce Clause.

<table>
<thead>
<tr>
<th>YES, Congress has authority</th>
<th>NO, Congress does not have authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brennan</td>
<td>Stevens</td>
</tr>
<tr>
<td>Opinion of the Court</td>
<td>Concurring Opinion</td>
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<tr>
<td>Joined by:</td>
<td>Marshall</td>
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amendment immunity, the courts themselves must decide whether their own jurisdiction has been expanded.' [Atascadero State Hosp. v. Scanlon, 473 U.S. 234, 243 (1985)] . . . Here, however, a holding that Congress has abrogated immunity in the Copyright Act could not expand the jurisdiction of the federal courts, because the federal courts already have exclusive jurisdiction over copyright actions. 28 U.S.C. § 1338(a). The Copyright Act, moreover, preempts all state copyright laws. 17 U.S.C. § 301(a). Thus the choice is not between the federal forum and the state forum — it is between the federal forum and no forum. BV Eng'g, 858 F.2d at 1400, cert. denied, 109 S. Ct. 1557 (1989).


In a 5-4 plurality opinion, the Court held that "Congress has the authority to render [States] . . . liable when legislating pursuant to the Commerce Clause."\(^{65}\) The plurality opinion, authored by Justice Brennan, based this conclusion on the fact that states had surrendered a portion of their sovereignty when they had ratified the Constitution and originally granted Congress the power to regulate commerce. The plurality on this issue included Brennan, Marshall, Blackmun, Stevens and White. It is important to note that a fifth justice joined Justices Brennan, Marshall, Blackmun, and Stevens, which allowed them to form a new majority in an eleventh amendment state sovereign immunity decision.

However, Justice White wrote a concurring opinion in which he stated that he disagreed with much of the majority’s reasoning, although he agreed with the majority’s conclusion that Congress had the authority under article I to abrogate the state’s eleventh amendment immunity.\(^{66}\) Most unfortunately, Justice White said nothing whatsoever about the reasoning that brought him to join the majority. It is quite clear, however, that Justice White was unwilling to explicitly overrule *Hans*. Justices Brennan, Marshall, Blackmun, and Stevens all stated that they believe that *Hans* should be overruled,\(^{67}\) but Justice White was unwilling to do so.\(^{68}\)

Justice Stevens, in a concurring opinion, again expressed the view so often expressed by him and Justices Brennan, Marshall and Blackmun, that the Court should overrule *Hans v. Louisiana* and its progeny in favor of a more literal and narrow interpretation of the eleventh amendment. Justice Stevens advocated interpreting the eleventh amendment as only limiting the citizen-state and alien-state

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66. This brings me to the question whether Congress has the constitutional power to abrogate the States’ immunity. In that respect, I agree with the conclusion reached by Justice Brennan . . . that Congress has the authority under Article I to abrogate the eleventh amendment immunity of the States, although I do not agree with much of his reasoning. *Pennsylvania*, 109 S. Ct. at 2295 (White, J., concurring).

67. See supra note 17 and accompanying text.

jurisdiction of federal courts, and not limiting the federal courts' jurisdictional power in cases involving federal statutes. 69

The dissent on the issue of Congress’ power to abrogate state immunity was written by Justice Scalia and joined by Justices Rehnquist, O’Connor and Kennedy. Justice Scalia supported the expanded interpretation of the eleventh amendment which was first espoused by the Court in *Hans.* 70 Scalia agreed with the majority that “[States] shall be immune from suits, without their consent, save where there has been a ‘surrender of this immunity in the plan of the convention.’ The Federalist, No. 81.” 71 However, Scalia disagreed with the majority as to how much power the states had surrendered when they ratified the Constitution. Scalia also argued that it was unfair to allow the federal government immunity from private suit, and yet not allow the states the same immunity. 72 In his dissent, Justice Scalia correctly pointed out that there were other remedies available to an aggrieved plaintiff. 73 First, a plaintiff may obtain a federal injunction against the state official in order to stop the unlawful action. 74 Second, a plaintiff may obtain money damages against state officials personally, rather than in their official ca-

69. Id. at 2286-89 (Stevens, J., concurring).
70. Manifestly, we cannot rest with a mere literal application of the words of § 2 of Article III, or assume that the letter of the eleventh amendment exhausts the restrictions upon suits against non-consenting States. Behind the words of the constitutional provisions are postulates which limit and control . . . . [One of which is] the postulate that State of the Union, still possessing attributes of sovereignty, shall be immune from suits, without their consent, save where there has been ‘a surrender of this immunity in the plan of the convention.’ The Federalist, No. 81.

71. Pennsylvania, 109 S. Ct. at 2297 (Scalia, J., dissenting) (quoting Monaco v. Mississippi, 292 U.S. 313, 322-323 (1934)).
72. “I think it possible to find in the scheme of the Constitution a necessity that private remedies be expanded . . . to include a remedy not available, for a similar infraction, against the United States itself.” Pennsylvania, 109 S. Ct. at 2298 (Scalia, J., dissenting).

It is important to note that Justice Scalia’s argument is a very strong one for the opposing viewpoint in the copyright and patent context. Justice Scalia is arguing that there is an unfairness in holding states amenable to suit when the federal government can claim immunity. But likewise, in the copyright and patent context, it is unfair for the federal government to be amenable to suit, as it is, and yet allow States to claim immunity.
73. Id.
74. See *Ex Parte Young,* 209 U.S. 123, 160 (1908).
pacity. Third, local governments and municipalities are not covered by the shield of sovereign immunity and may be sued directly for damages. These other remedies, however, may be grossly inadequate in copyright and patent infringement suits. In the first case, an injunction is not helpful if the copying and the gain from it have already been realized. In the second case, the Court has made it clear that state officials cannot be personally sued if "the state is the real, substantial party in interest." And in the third case, the fact that a plaintiff is able to sue a local government is of no use to the plaintiff if the infringing party is a state.

Justice Scalia then made an unusual, but refreshing, admission for a Supreme Court Justice. Justice Scalia admitted that his view of eleventh amendment state sovereign immunity may possibly be wrong. He went on to say that *Hans* has been used too often as a precedent to overrule it. Justice Scalia strongly implied that he would rather join Brennan, Marshall, Blackmun, and Stevens in explicitly overruling *Hans* than allow the present plurality viewpoint to continue as the law of the land.

As the Supreme Court has chosen not to grant certiorari in a copyright infringement case against a state, and thus has not spo-

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76. "[T]here is no tradition of [Eleventh Amendment] immunity for municipal corporations." *Id.* at 2280 n.3 (plurality opinion) (quoting *Owen v. City of Independence*, 445 U.S. 622, 638 (1980)).


78. "Even if I were wrong, however, about the original meaning of the Constitution, or the assumption adopted by the eleventh amendment, or the structural necessity for federal-question suits against the States, it cannot possibly be denied that the question is at least very close. In that situation, the mere venerability of an answer consistently adhered to for almost a century, and the difficulty of changing, or even clearly identifying, the intervening law that has been based on that answer, strongly argue against a change." *Pennsylvania*, 109 S. Ct. at 2298 (Scalia, J., dissenting).

79. "Better to overrule *Hans*, I should think, than to perpetuate the complexities that it creates, see *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 252-258 (1985) (Brennan, J., dissenting), but eliminate all its benefits to the federal system . . . . As far as I can discern, the course the Court today pursues—preserving *Hans* but permitting Congress to overrule it—achieves the worst of both worlds. And it is a course no more justified by text than by consequences." *Id.* at 2299.

ken directly on the issue, how should the Supreme Court’s decision in *Union Gas Co.* affect lower court decisions regarding copyright and patent infringement suits against the states? *Union Gas Co.* dealt with Congress’ authority under the Commerce Clause of article I, section 8. However, the Court’s reasoning in *Union Gas Co.* also applies to the Patent and Copyright Clause of article I, section 8.

The Court’s rationale was that “Congress has the authority to render [States] . . . liable when legislating pursuant to the Commerce Clause” because the states had surrendered a portion of their sovereignty when they granted Congress the power to regulate commerce.81 Following the Court’s reasoning to its fullest extent, if Congress has the power to directly abrogate state immunity because the state had consented to suit when they originally ratified the Constitution, it logically follows that Congress can use the direct abrogation approach under any of its original constitutional powers.82 The Court’s rationale certainly applies to the other article I plenary powers, including the Patent and Copyright Clause, which allows Congress to enact uniform nationwide legislation.83

82.

[I]n exercising her rights, a State cannot disregard the limitations which the Federal Constitution has applied to her power. Her rights do not reach to that extent. Nor can she deny to the general government the right to exercise all its granted powers, though they may interfere with the full enjoyment of rights she would have if those powers had not been thus granted. Indeed, every addition of power to the general government involves a corresponding diminution of the governmental powers of the States. It is carved out of them. *Pennsylvania*, 109 S. Ct. at 2282 (plurality opinion) (quoting *Ex parte Virginia*, 100 U.S. 339, 346 (1880)). The Court also mentions that this statement was quoted by the Court in *Fitzpatrick v. Bitzer*, 427 U.S. 445, 454-55 (1976). *Id.*

The Court then went on to say: “[b]ecause the Commerce Clause withholds power from the States at the same time as it confers it on Congress, and because the congressional power thus conferred would be incomplete without the authority to render States liable in damages, it must be that, to the extent that the States gave Congress the authority to regulate commerce, they also relinquished their immunity where Congress found it necessary, in exercising this authority, to render them liable. The States held liable under such a congressional enactment are thus not ‘unconsenting’; they gave their consent all at once, in ratifying the Constitution containing the Commerce Clause, rather than on a ‘case-by-case basis.’” *Pennsylvania*, 109 S. Ct. at 2284 (plurality opinion).

83. “Like the Fourteenth Amendment, the Commerce Clause with one hand gives power to Congress while, with the other, it takes power away from the States. . . . The [Commerce Clause] both expands federal power and contracts state power; that is the meaning, in fact, of a ‘plenary’
In fact, Justice White’s concurring opinion states that “I agree with the conclusion reached by Justice Brennan . . . that Congress has the authority under article I to abrogate the eleventh amendment immunity of the States.”84 Although he disagreed with the Court’s view, Justice Scalia in his dissent stated that “if the article I commerce power enables abrogation of state sovereign immunity, so do all the other article I powers.”85 Thus it appears that the Court’s decision in Union Gas Co. can be interpreted to stand for the proposition that Congress has the authority to override state immunity when legislating pursuant to the Constitution’s article I, section 8, Patent and Copyright Clause.

Assuming that Congress has the authority to override state immunity in the federal copyright and patent statutes, the next issue to address is whether Congress has actually done so.

B. Does the Language of the Copyright Act Meet the Atascadero Test? Copyright Cases Since Atascadero

The U.S. Circuit Courts of Appeal that have examined the Copyright Act of 197686 have unanimously held, albeit with some reluctance, that the Copyright Act does not pass the Atascadero requirement “that Congress must express its intention to abrogate the eleventh amendment in unmistakable language in the statute itself.”87 The Circuit Courts have been very concerned with the ungrant of authority.” Id. at 2282.

“It is no accident, therefore, that every Court of Appeals to have reached this issue has concluded that congress has the authority to abrogate States’ immunity from suit when legislating pursuant to the plenary powers granted it by the Constitution.” Id. at 2281.

84. Pennsylvania, 109 S. Ct. at 2295 (White, J., concurring).
85. Id. at 2305 (Scalia, J., dissenting).
87. Quote is from the holding in Atascadero State Hosp., 473 U.S. at 243.

See Richard Anderson Photography, 852 F.2d at 117 cert. denied, 109 S. Ct. 1171 (1989); BV Eng’g, 858 F.2d at 1400 cert. denied, 109 S. Ct. 1557 (1989); Lane, 871 F.2d at 169-70. See also Note, Sovereign Immunity to Copyright Infringement Actions after Atascadero, 50 Ohio St. L.J. 197, 201-05 (1989).

As a side note, there are two other copyright infringement cases which were decided right after Atascadero and which are of less importance. In Cardinal Indus., Inc. v. Anderson Parrish Assoc. Inc., No. 83-1038-Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985), aff’d, No. 86-3354, slip op. (11th Cir. Jan. 27, 1987) (per curiam) (officials of a Florida State University allegedly infringed copyrights
fairness of allowing a State to claim immunity when one of its employees pirates copyrighted materials. It seems unreasonable to allow a state university or state agency to pirate all of the computer software, textbooks, films, etc. . . . that it wants without requiring that university or agency to pay a fair price, just as the federal government or any other entity is required to do by law.

It is quite clear from three U.S. Circuit Court of Appeal cases that the Copyright Act of 1976, as it now stands, will not be found to pass the Atascadero test of unmistakable clarity. However, these decisions will soon lose their value as precedent because Congress in architectural plans for a student housing project), the district court held that the State was immune from suit under the Eleventh Amendment. Unfortunately, the district court never discussed the Atascadero decision or the statutes that it claimed it had reviewed. The U.S. Court of Appeals for the Eleventh Circuit affirmed the district court's decision without discussion. Because of its limited discussion, this case will offer very sparse guidance to other courts.

Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985) (Illinois state agency sought a declaratory judgment that the Eleventh Amendment barred defendant's potential copyright claim concerning the State's use of a slogan in a tourism campaign). Woelffer, decided immediately after Atascadero, held that the Copyright Act of 1976 did not pass the Atascadero test. The district court decision was never appealed to a U.S. Circuit Court of Appeals.

Although we find these arguments compelling, we are constrained by the Supreme Court's mandate that we find an abrogation of eleventh amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in federal court. Such language is absent from the Copyright Act of 1976. We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.

The plaintiff's second point is more troubling. If the Eleventh Amendment holds sway, suit cannot be brought in federal court against an infringing State, which means that no damage action under the Copyright Act can be brought at all. See 28 U.S.C. § 28 U.S.C. § 1338(a). In that important sense, Congress will have crafted a right for which it ceded no corresponding remedy against certain infringers. We are not unmindful of the seeming inequities of this result, nor of its apparent inconsistency with the broad powers granted Congress under the Copyright and Patent Clause. . . . By the same token, we see few countervailing policy considerations.

Although we find these arguments compelling, we are constrained by the Supreme Court's mandate that we find an abrogation of eleventh amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in federal court. Such language is absent from the Copyright Act of 1976. We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.

Lane, 871 F.2d at 173 (citation omitted) (emphasis in original).

Barabara Ringer, former Register of Copyrights, in testimony to Congress, stated that Congress should amend the federal Copyright laws as soon as possible because copyright owners were already at a bargaining disadvantage from the perception that state instrumentalities were free to use copyrighted materials without paying for them. She then posed the following query: "When an administrator with a sharply restricted budget asks her lawyer whether she must take licenses for some massive use—such as cut-and-paste anthologies or systematic off-air taping of copyrighted motion pictures for classroom use—what do you think the lawyer is going to say?" 38 Pat. Trademark & Copyright J. (BNA) No. 939, at 290 (July 20, 1989).
is in the process of amending the Copyright Act of 1976. Congress' express purpose in amending the Copyright Act is to "unmistakably clarify" that they intended to abrogate the states' eleventh amendment immunity when they passed the Copyright Act of 1976.\(^{90}\)


Richard Anderson Photography v. Brown,\(^{91}\) was the first case to apply the new and very strict Atascadero test to the Copyright Act of 1976 in order to determine whether Congress had "express[ed] its intention to abrogate the eleventh amendment in unmistakable language in the statute itself."\(^{92}\) The case involved a copyright infringement suit brought by Richard Anderson Photography (Anderson) against, among others, Radford University (an educational institution of the State of Virginia). Pursuant to a contract with Radford University, Anderson took photographs to be used in the 1982 student prospectus. Anderson obtained copyrights for the photographs used in the publication. Anderson then sued for copyright infringement when the school used his photographs in other publications without his authorization.

The court in Richard Anderson Photography held that the language of the Copyright Act of 1976\(^{93}\) does not indicate an "unequivocal" intent on the part of Congress to directly abrogate state immunity or to condition a state's participation in the Scheme of federal copyright law upon the state's constructive consent to suit in federal courts.\(^{94}\) In applying the Atascadero test, the court found that the phrase in the Copyright Act of 1976 which states that "[a]nyone who violates any of the exclusive rights . . . is an

\(^{90}\) See supra note 4.
\(^{92}\) Atascadero State Hosp., 473 U.S. at 243.
\(^{94}\) Applying the Atascadero/Welch test, we hold that, laying aside all questions of its constitutional power to abrogate by either means, Congress has not in the Copyright Act so unequivocally expressed its intention to abrogate either directly, without regard to consent, or indirectly by exacting consent as a condition of participation, as to allow us to find an override of the eleventh amendment immunity here invoked by the state defendants. Richard Anderson Photography, 852 F.2d at 117, cert. denied, 109 S. Ct. 1171 (1989).
infringer'' did not express an "unequivocal" intent on the part of Congress to allow private damage suits against the states. The court also discussed § 110(2) of the Copyright Act of 1976 which exempts from copyright infringement liability certain activities involving officers or employees of "governmental bodies." Anderson, the copyright owner argued that these exemptions would not make sense unless "governmental bodies," which included states, were liable to begin with under other sections of the Copyright Act. The court found these statements ambiguous because the statute never explicitly defined "governmental bodies" to include "States." The court reasoned that this section could possibly be interpreted to apply only to local governments, and that therefore Congress' intent was not "unequivocal" as was required by the Supreme Court in Atascadero and Welch. Although it examined many sections of the Copyright Act individually, the court did not find a single section which showed an "unequivocal" intent on the part of Congress to allow private damage suits against the states. Also, because the

99. The court split the analysis into two parts. First, the court looked for congressional intent to directly abrogate the State's immunity.

We therefore look to other provisions of the [Copyright] Act which Anderson and associated amici contend make congressional intention to abrogate sufficiently clear when read in conjunction with the basic provisions just discussed. The provisions on which Anderson relies are 17 U.S.C. §§ 107, 108, 110(2), 110(6), 111(a), 112, 118(d)(3), 601 and 602. We consider them in order.

Id. at 118.

The court then discussed all of the above sections and held that "the language of the Copyright Act, considered as a whole, does not clearly and unequivocally indicate Congress's [sic] intent to create a cause of action for money damages enforceable against the states in federal courts, thereby directly abrogating the state's eleventh amendment immunity." Id. at 120.

Second, the court looked for congressional intent to impliedly waive the State's immunity. Here, the critical language of the Copyright Act, as analyzed ... above, no more unequivocally expresses an intention to condition participation by the states upon their constructive consent to suit than it does to effect a direct abrogation of their immunity without regard to their actual or constructive consent. Cf. Welch, 107 S. Ct. at 2946-48 (applying parallel tests of congressional intent to both "direct abrogation" and "constructive consent" contentions); Atascadero, 473 U.S. at 242-47 (same). For these reasons, we hold that there has been no implied waiver of eleventh amendment immunity by the Commonwealth's participation in federally regulated copyright activity.

Id. at 121-22 (citation omitted).
court found that the Copyright Act failed the *Atascadero* test, it did not have to reach the question of whether Congress had the power under the Patent and Copyright Clause to directly abrogate state eleventh amendment immunity.\(^{100}\)

2. *BV Eng’g v. University of Cal., Los Angeles*

   The next court to apply the *Atascadero* test to the Copyright Act of 1976 was the U.S. Court of Appeals for the Ninth Circuit in *BV Engineering v. University of Cal., Los Angeles*.\(^{101}\) The material facts in this case were undisputed. The University of California, Los Angeles (UCLA) purchased one copy of each of seven copyrighted computer programs and the accompanying user manuals which were sold by BV Engineering. UCLA then proceeded to make three copies of each computer program and ten copies of each users manual. BV Engineering sued UCLA for copyright infringement.

   The Court assumed, without deciding, that Congress could abrogate the State’s eleventh amendment immunity when acting under an article I power.\(^{102}\) The Court then found that, although the Copyright Act of 1976 could reasonably be construed to allow damage suits against the states, the language of the Act did not satisfy the *Atascadero* test requiring that Congress’ intent be "unmistakably clear" in the language of the statute.\(^{103}\) The court noted that although they had been forced by the Supreme Court’s decision in

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102. A decision on this issue may be forthcoming. The Supreme Court recently granted certiorari in a case that endorsed the view that Congress may abrogate Eleventh Amendment immunity when acting pursuant to the Commerce Clause. *See United States v. Union Gas Co.*, 832 F.2d 1343 (3rd Cir. 1987), *cert. granted*. Because the issue is pending before the Supreme Court, we decline to reach it here. We assume, without deciding, that Congress may abrogate the states' eleventh amendment immunity when acting under an Article I power. *BV Eng’g*, 858 F.2d at 1397, *cert. denied*, 109 S. Ct. 1557 (1989) (citation omitted).

103. "Because these sections [of the Copyright Act] are susceptible to more than one reasonable interpretation, we cannot conclude that they satisfy *Atascadero*’s requirement of clear and unmistakable language." *BV Eng’g*, 858 F.2d at 1399, *cert. denied*, 109 S. Ct. 1557 (1989).
Atascadero to hold as they did, they realized that their decision appeared contrary to the Supreme Court’s intent to protect copyrights.\(^{104}\)

The court also recognized the injustice of its holding,\(^{105}\) but again stated that it was constrained by the Supreme Court’s mandate in Atascadero.\(^{106}\) The court found that the policy arguments supporting a finding of eleventh amendment state immunity were not present in this case. State immunity was not needed to prevent a drain on state treasuries.\(^{107}\) Also, because federal courts already have exclusive jurisdiction in copyright cases,\(^{108}\) there is no expansion of federal court power at the expense of state court power.\(^{109}\)

3. Lane v. First Nat’l Bank of Boston

The most recent court to apply the Atascadero test to the Copyright Act of 1976 was the U.S. Court of Appeals for the First Circuit in Lane v. First Nat’l Bank of Boston.\(^{110}\) In Lane, a woman sued the State of Massachusetts and several of its agencies for infringing her copyrights in certain compilations of financial data. Like the court in BV Engineering, the First Circuit assumed, without

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104. The Ninth Circuit, in BV Eng’g, noted that the Supreme Court itself had suggested that even the States must honor a copyright owner’s monopoly. “When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach.” Id. at 1399 (quoting Goldstein v. California, 412 U.S. 546, 560 (1973) which was referring to the Copyright Act of 1909).

105. “We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.” BV Eng’g, 858 F.2d at 1400 cert. denied, 109 S. Ct. 1557 (1989).

106. “Although we find these arguments compelling, we are constrained by the Supreme Court’s mandate that we find an abrogation of eleventh amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in federal court.” Id.

107. “[P]olicies [behind the Eleventh Amendment] include preventing a drain on state treasuries, see Edelman v. Jordan, 415 U.S. 651, 663-68 (1974).” Id. at 1399 (citation omitted).


109. See supra note 59.

110. Lane, 871 F.2d at 168-72.
deciding, that Congress could abrogate the state’s eleventh amendment immunity when acting under an article I power.\footnote{111}{It is an open question whether Congress possesses the power to blunt the prophylaxis of the Eleventh Amendment when acting pursuant to the Copyright and Patent Clause, U.S. Const. art. I, § 8, cl. 8. . . . The Court has recently granted certiorari and heard oral argument on much the same question, but has yet to resolve it. See United States v. Union Gas Co., 832 F.2d 1343 (3rd Cir. 1987), \textit{cert. granted}, 108 S. Ct. 1219 (1988) (Commerce Clause). Intriguing though the tangram may be, we need not strain to solve it today. The case at hand is so postured that we can emulate the Court and ‘assume, without deciding or intimating a view of the question, that the authority of Congress to subject unconsenting States to suit in federal court is not confined to § 5 of the Fourteenth Amendment.’ \textit{Lane}, 871 F.2d at 168 (citation omitted) (quoting Welch v. Texas State Dep’t of Highways and Pub. Transp., 107 S. Ct. 2941, 2946 (1987)).} The \textit{Lane} court then noted that the only cases concluding that Congress had indeed abrogated state immunity in the Copyright Act had been cases decided before the Supreme Court’s \textit{Atascadero} decision.\footnote{112}{Although some courts had earlier concluded that Congress, by passing the Copyright Act, intended to remove the States’ immunity, see \textit{e.g.}, Mills Music, Inc. 591 F.2d at 1284-86; Johnson v. University of Virginia, 606 F. Supp. 321, 324 (W.D. Va. 1985), the slate seems to have been wiped clean; in the post-\textit{Atascadero} era, no court to our knowledge has held that the Copyright Act passes the reformulated test for abrogation of Eleventh Amendment protection. In addition to the Fourth and Ninth Circuits, every district court—including those which initially considered the \textit{BV Eng’g} and \textit{Richard Anderson Photography} cases—has come out the other way. See, \textit{e.g.}, Cardinal Indus. Inc. v. Anderson Parrish Assoc., No. 83-1038-Civ-T-13 (M.D. Fla. Sept. 6, 1985), \textit{aff’d mem.}, 811 F.2d 609 11th Cir.), \textit{cert. denied}, 108 S. Ct. 88 (1987); Woelffer v. Happy States of America, Inc., 626 F. Supp. 499, 504 (N.D. Ill. 1985). \textit{Lane}, 871 F.2d at 169 (citation omitted).} Citing the \textit{BV Eng’g} and \textit{Richard Anderson Photography} cases, the court agreed that there was indeed ambiguity in the statutory language of the Copyright Act both as to particular sections and as to the Act as a whole.

Like the court in \textit{BV Eng’g}, the court in \textit{Lane} recognized the injustice of its holding, but stated that it was constrained by the Supreme Court’s mandate in \textit{Atascadero}.\footnote{113}{See supra note 86 quoting \textit{Lane}, 871 F.2d at 173.} Likewise, the \textit{Lane} court found that the policy arguments supporting a finding of eleventh amendment state immunity were not present in this case.\footnote{114}{[W]e see few countervailing policy considerations. The concerns which undergird the Eleventh Amendment—comity and solicitude for State interest, \textit{e.g.}, Della Grotta v. State of Rhode Island, 781 F.2d 343, 347 (1st Cir. 1986); regard for undue fiscal impact upon State coffers, \textit{e.g.} \textit{Edelman},}
court also acknowledged that the last major revision of the federal copyright law (resulting in the Copyright Act of 1976) was undertaken before the Atascadero and Welch Supreme Court decisions and that Congress most likely expected that the standard rules of statutory interpretation would apply, rather than the unusually strict standard enunciated in Atascadero and reaffirmed in Welch. The court then ended, as did the BV Eng’g court, with a statement that it was not within their power to remedy this problem, but that a solution must come from Congress.

C. Does the Language of the Federal Patent Laws Meet the Atascadero Test?—The Only Patent Case Since Atascadero

1. Chew v. California—A Case of First Impression

In Chew v. California, the Court of Appeals for the Federal Circuit was the first appellate court, subsequent to the Supreme Court’s ruling in Atascadero, to address the issue of whether states are immune from damage suits under the federal patent laws. The court held that the text of the patent statute did not satisfy the Atascadero test which required that Congress’ intent be “unmis-

415 U.S. at 663-68; containment of federal court jurisdiction, e.g., Atascadero, 473 U.S. at 242-43—seem little furthered by hewing strictly to the party line in the copyright context. See BV Eng’g, 858 F.2d at 1399-1400; see also Note, Congressional Abrogation of State Sovereign Immunity, 86 Colum. L. Rev. 1436, 1450-51 (1986) (where, as in the case of the Copyright Act, a statute’s impact on state sovereignty is less intrusive, the need for a specific showing of congressional intent should logically be diminished). “In short, we are constrained by the Court’s directives, first in Atascadero and thereafter in Welch, to ignore the policy concerns evoked by exclusivity of jurisdiction . . . .” Atascadero, 473 U.S. at 243; see also Welch, 107 S. Ct. at 2946 (quoting Atascadero).

Lane, 871 F.2d at 173-74 (citation omitted).

115. Id. at 175-76.

116. “[T]he States—pending some future action by the Congress—continue to enjoy sovereign immunity in regard to damage suits charging copyright infringement.” Id. at 176.

“We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.” BV Eng’g, 858 F.2d at 1400 cert. denied, 109 S. Ct. 1557 (1989).


takably clear” in the language of the statute. The court, therefore, did not have to address the underlying issue of Congress’ power to abrogate state eleventh amendment immunity under the Patent and Copyright Clause.\(^\text{119}\) As a result of this decision it is clear that the federal patent statutes, as presently worded, have failed the Atascadero test, just as the federal copyright statutes have failed in recent decisions.

### D. What Language is Required to Meet the Atascadero Test?

The Atascadero test\(^\text{120}\) is a very subjective test.\(^\text{121}\) The test itself gives Congress very little concrete guidance as to how to write legislation that will pass its requirement of “unmistakable clarity.” Justice White, in his concurring opinion in Pennsylvania v. Union Gas Co., gave the most explicit guidelines available since the Court enounced the test in Atascadero.\(^\text{122}\) It appears that an explicit state-
ment that "a state shall not be immune under the eleventh amendment from suit in federal court for a violation of this Act" will pass the strict Atascadero test. But it is very unclear what lesser statement will suffice.

In Atascadero, four Justices were of the opinion that the Rehabilitation Act of 1973 met the Atascadero test, while five Justices disagreed. 124 In Union Gas Co., five Justices were of the opinion that the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986 met the Atascadero test, while four Justices disagreed. 125 Considering the narrow majorities in these decisions, it would appear that Congress runs the risk of being misinterpreted if it does not expressly state in the language of a statute that it is abrogating the eleventh amendment immunity of the States and allowing them to be sued for damages in federal court for a violation of the statute. Because there is still some ambiguity as to whether or not Congress has the power to "directly abrogate" the states' eleventh amendment immunity when legislating pursuant to the Patent and Copyright Clause, it would be prudent for Congress to use both the "direct abrogation" approach and the "implied waiver" approach. To do this, Congress should include two separate statements of abrogation in any amendment to the federal copyright and patent laws. The first statement should clearly state Congress' intent to "directly abrogate" the states' eleventh amendment immunity: "A State shall not be immune under the eleventh amendment from suit in federal court for a violation of this Act." The second statement should clearly state Congress' intent to "impliedly waive" the states' eleventh amendment immunity: "By participating

1807, which included a provision setting aside the force of our holding in Atascadero that Congress had failed to provide a clear statement of abrogation of the Eleventh Amendment. The words Congress chose in that Act are instructive: "A State shall not be immune under the Eleventh Amendment . . . from suit in Federal court for a violation of [portions of the Act]." Pub. L. 99-506, supra, 100 Stat. 1845 . . . . I would not go so far as to hold that Congress must use these precise words (i.e., make reference to the Eleventh Amendment) before it will be deemed to have abrogated States' immunity.

Id. at 2294-95 n.7.


in any activity regulated under this Act, a State shall waive its eleventh amendment immunity from suit in federal court for a violation of this Act." It might also be useful to add a statement saying that "All remedies available under this Act, including damages, are available in a suit in federal court against a State."

It is vitally important for Congress to realize that the Supreme Court has apparently thrown out the normal rules for determining legislative intent and has mandated that courts cannot look to legislative history\footnote{See supra note 45 and accompanying text.} or policy considerations\footnote{The entire purpose of our "clear statement" rule would be obliterated if this Court were to imply Eleventh Amendment abrogation from our sense of what would best serve the general policy ends Congress was trying to achieve in a statute. Such arguments based on the statute's general goals, whatever weight they might have under a normal exercise in statutory construction, have no bearing on our analysis of congressional abrogation. Cf. Dellmuth v. Muth, ___ U.S.____, (1989). . . . I believe that our "clear statement" precedents bar us from implying such a policy choice—even if it is "latent" in the statutory scheme, or an advisable means of achieving the statute's ends.} when deciding whether Congress has abrogated state eleventh amendment immunity under a particular statute. Thus Congress must take great care in expressing its intent in the text of a statute.\footnote{See supra note 45.}

IV. ANALYSIS OF POSSIBLE SOLUTIONS

A. Allowing Copyright and Patent Infringement Suits in State Courts

Exclusive federal jurisdiction, which prevents state courts from adjudicating copyright and patent infringement suits, has several key


\footnote{Apparently, an equivalent amendment is necessary for the federal patent laws as well. 35 U.S.C. §§ 1-376 (1982).}
advantages. First and foremost, it leads to more uniformity in decisions and thus more certainty in the law. Second, because federal courts specialize in federal law, they are more experienced and skilled at interpreting and applying federal law. Third, federal courts are less likely to be swayed by local concerns and prejudices.

In this context, state court jurisdiction would be disastrous. Patent law was already chaotic and confused enough when there were only twelve U.S. Circuit Courts of Appeal with appellate jurisdiction in patent cases. At that time, it was possible for a United States patent to be held valid in one district while it was held invalid in another. Such uncertainty as to the validity and value of a patent discourages investment in research and development. It also hinders our economy from competing in today's global markets. To bring some order and certainty to the U.S. patent laws, Congress created the U.S. Court of Appeals for the Federal District in 1982 and gave it exclusive appellate jurisdiction (aside from the Supreme Court) in patent cases. Now a patent that is held valid in one state will be valid in all states.

It is hard to imagine going back to the confusion of twelve separate federal appellate courts hearing patent cases, but it is even harder to imagine allowing fifty different states to interpret the federal patent laws. A cacophony of twelve different voices was confusing enough. Also, the technical nature of most patent cases require a familiarity with science or engineering just to understand the issues involved. It would seem that Congress has found the best solution by investing sole appellate jurisdiction (again, subject to the oversight of the Supreme Court) in patent cases to a single federal court of appeals with expertise in the patent area.

In the copyright context, exclusive federal jurisdiction affords some of the same advantages. Uniformity in the application of a statute prevents conflicting outcomes. It also reduces litigants' incentive to "shop around" for the most favorable jurisdiction. In increased certainty in the nationwide protection of copyrighted works

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129. If states were able to adjudicate copyright infringement claims, forum shopping would greatly increase because of the disagreements and variances that would undoubtedly develop between the fifty states as to their interpretations of the federal copyright laws.
increases the value of such works and thereby encourages new works to be created.

Federal court expertise is also important in the copyright context. Copyright issues are becoming more important and more complex as existing copyright doctrine is applied to new technology in areas such as computer software and mask works. Copyright law thus requires an understanding of the nuances of the development of copyright law in these areas, as well as an understanding of the needs created by these new technologies. Copyright law itself must be adapted and developed to fit these new technology areas. Exclusive federal jurisdiction ensures that the judge will be familiar with both existing copyright law and with the developments taking place in federal copyright law. Amending the federal copyright and patent statutes to do away with exclusive federal court jurisdiction, and allowing infringement suits in state court, would be a poor solution.

B. Abrogating State Immunity From Copyright and Patent Suits in Federal Courts

The policy reasons underlying the eleventh amendment are not served by allowing states immunity in copyright and patent infringement cases. There is no great risk to the state coffers—to avoid paying damages, all the states have to do is obey the federal copyright and patent laws. There is no struggle of power between the state courts and federal courts—Congress has already given the federal courts exclusive jurisdiction. The Supreme Court’s ruling in Union Gas Co. can and should be extended to hold that Congress has the authority under its plenary powers in the Patent and Copyright Clause to abrogate state immunity from copyright and patent suits for damages in federal courts. Such an extension is supported by the Court’s rationale in Union Gas Co. and would not require the Court to modify its present interpretation of the Eleventh Amendment.

V. Conclusion

It is still unclear whether states, and state officials acting in their official capacity, can be sued for damages for copyright and patent infringement. But after Union Gas Co., it appears more likely that states will be held liable in such situations, once Congress adds the necessary language to the copyright and patent statutes.

In Atascadero and its progeny, the Supreme Court changed the rules for interpreting congressional intent in cases involving state immunity from suit under the eleventh amendment. Atascadero and its progeny disallows normal inquiry by courts into legislative history and policy considerations, and, apparently, require courts to view the text of a statute as if it was created in a total vacuum. The U.S. Circuit Courts of Appeal which have ruled on the issue of state amenability to suit for copyright infringement (post-Atascadero) have all found the state to be immune from suit because the text of the Copyright Act of 1976 doesn't state “with unmistakable clarity” that Congress intended to abrogate state immunity either directly or through the states’ implied waiver of their eleventh amendment immunity. But Congress is in the process of amending the Copyright Act of 1976 in order to remedy what they consider to be a misinterpretation on the part of the courts. Congress’ unmistakably clear intention is to revise the Copyright Act in order to meet the Atascadero requirement of “unmistakable clarity.”

Congress’ revision of the Copyright Act may be of no avail if the Supreme Court decides that Congress doesn’t have the power to abrogate state immunity when legislating pursuant to its powers under the Constitution’s Article I Patent and Copyright Clause. Rendering a decision on a very related issue, the Supreme Court recently held in Union Gas Co. that Congress had the power to abrogate state immunity when legislating pursuant to the Constitution’s article I Commerce clause. Most fortunately, the court’s rationale easily extends to Congress’ other article I plenary powers, including the patent and copyright powers.

If the federal courts are unwilling to extend the Supreme Court’s holding in Union Gas Co. to Congress’ plenary power under the Patent and Copyright clause, there is still the implied waiver doctrine
from *Parden*. The implied waiver doctrine allows Congress to condition a state’s participation in a federal program on the state’s waiver of its eleventh amendment immunity, provided that Congress makes its intention to create such a condition unmistakably clear in the text of the statute.

In summary, once Congress adds appropriate language to the federal copyright and patent laws, the holding in *Union Gas Co.* can and should be extended to find that states can be held liable for damages in copyright and patent infringement suits.

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