THE LION'S SHARE: FEDERAL LAW, STATE SOVEREIGN IMMUNITY, AND INTELLECTUAL PROPERTY

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State Bar of Texas
ADVANCED INTELLECTUAL PROPERTY LITIGATION
July 8-9, 2021

CHAPTER 14

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The basics of intellectual property ("IP") litigation are likely well-known to any readers of this paper. However, practitioners may encounter unfamiliar territory when an IP case involves a state or local governmental entity. Those entities are generally protected by the absolute defense of sovereign immunity—even in cases alleging violation of federal IP laws. Like the lion in Aesop's fable,[1] the sovereign can frequently take all the IP spoils, even if it did not originally acquire them. Knowing how federal law incorporates state sovereign immunity, and where the limits of the doctrine lie, could save practitioners significant headaches in any suits involving state government.

This article discusses: (I) federal law on state sovereign immunity; (II) an encapsulation of preemption of federal law for IP matters; (III) the basic principles of state sovereign immunity in Texas; (IV) the history and general principles of sovereign immunity barring IP lawsuits; and (V) possible exceptions to governmental immunity in IP matters.

I. THE ELEVENTH AMENDMENT, FEDERAL LAW, AND STATE SOVEREIGN IMMUNITY

A. The Origins and Purpose of Sovereign Immunity

Many lawyers assume the origins of sovereign immunity extend back to the English monarchy and the maxim that "the King can do no wrong." However, sovereign immunity has been recognized in this country since the drafting of our Constitution. Alexander Hamilton spoke of sovereign immunity in the Federalist papers saying:

> It is inherent in the nature of sovereignty not to be amenable to suit of an individual without its consent. This is the general scheme and the general practice of mankind; and the exception, of one of the attributes of sovereignty, is now enjoyed by the government of every State in the Union.[2]

Hamilton made this statement in part to assuage fears that the new constitution would abrogate states' sovereign immunity.[3] State sovereign immunity was preserved by the Constitution.[4] Thus, sovereign immunity "is an established principle of jurisprudence in all civilized nations [and in all states of the Union]."[5]

Generally, courts recognize sovereign immunity as serving two purposes. The first purpose is to preclude second guessing of certain governmental actions and decisions.[6] Thus, policy level decisions, decisions regarding budgeting and allocation of resources, decisions regarding the provision of certain services (fire, police, and emergency services) and decisions regarding the design of public works cannot be the bases of suit.[7]

Second, the courts recognize that sovereign immunity serves to protect the public treasury.[8] The purpose of sovereign immunity and governmental immunity "is pragmatic: to shield the public from the cost and consequences of imprudent actions of their government."[9] Allowing plaintiffs to bring suit and recover judgments would force governmental entities to take money from other activities (providing police protection, building public improvements, and providing social services) and expend those funds to defend law suits and pay judgments.[10]

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[1] AESOP'S FABLES, Fable 339 (quoting the Lion: "I take the first portion because of my title, since I am addressed as king; the second portion you will assign to me, since I'm your partner; then because I am the stronger, the third will follow me; and an accident will happen to anyone who touches the fourth").

[2] THE FEDERALIST No. 81, at 487 [Alexander Hamilton] [Clinton Rossitor Ed., 1961].

[3] See Wichita Falls State Hosp. v. Taylor, 106 S.W.3d 692 (Tex. 2003).

[4] Alden v. Maine, 527 U.S. 706, 713, 119 S.Ct. 2240, 144 L.Ed. 2d 636 (1999); Meyers v. Texas, 410 F.3d 236, 240 (5th Cir. 2005).

[5] Taylor, 106 S.W.3d at 694-95 (quoting Beers v. Arkansas, 61 U.S. 527, 529, 20 How. 527, 15 L.Ed. 991 (1857)) (internal quotations omitted).

[6] See Tex. Dep't of Protective & Regulatory Servs. v. Mega Child Care, Inc., 145 S.W.3d 170, 198 (Tex. 2004); see also City of El Paso v. Heinrich, 284 S.W.3d 366, 371-73 & n.6 (Tex. 2009) (litigation cannot be utilized "*to control state action by imposing liability on the State*" (italics in the original)).

[7] Sw. Bell Tel., L. P. v. Harris County Toll Road Auth., 282 S.W.3d 59, 68 (Tex. 2009).

[8] Ben Bolt-Palito Blanco Consol. Ind. Sch. Dist. v. Tex. Political Subdivisions Prop. Cas. Self Ins. Fund, 212 S.W.3d 320 (Tex. 2006); Tex. Dep't of Transp. v. Sefzik, 355 S.W.3d 618 (Tex. 2011); Wichita Falls State Hosp., 106 S.W.3d at 692.

[9] Id. (internal quotation omitted); Wasson, 489 S.W.3d 427, 431–32 (Tex. 2016)("[T]he stated reasons for immunity have changed over time. The theoretical justification has evolved from the English legal fiction that '[t]he King can do no wrong,'1 WILLIAM BLACKSTONE, COMMENTARIES *246, to 'accord[ing] States the dignity that is consistent with their status as sovereign entities,' Fed. Mar. Comm'n v. S.C. State Ports Auth., 535 U.S. 743, 760, 122 S.Ct. 1864, 152 L.Ed.2d 962 (2002), to 'protect[ing] the public treasury,' Taylor, 106 S.W.3d at 695.")

[10] Wichita Falls State Hosp., 106 S.W.3d at 698.; Catalina Dev., Inc. v. County of El Paso, 121 S.W.3d 704 (Tex. 2003).

B. The Eleventh Amendment Embodies Sovereign Immunity

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."[11] As early as 1890, the U.S. Supreme Court interpreted the Eleventh Amendment as incorporating the principles of sovereign immunity and precluding lawsuits against states except in certain limited circumstances.[12]

Through the Eleventh Amendment, sovereign immunity provides states and state entities with a complete defense to suit that is quasi-jurisdictional, and may be raised at any time.[13] Courts may, but are not required to, raise Eleventh Amendment immunity sua sponte.[14]

One major difference from Texas state law is that cities, counties, and other local government entities[15] do not necessarily enjoy Eleventh Amendment immunity.[16] In the Fifth Circuit, courts apply a six-factor test from the case *Clark v. Tarrant County*, 798 F.2d 736 (5th Cir. 1986) to determine whether a given entity enjoys immunity. This test considers:

(1) whether the state statutes and case law characterize the agency as an arm of the state;
(2) the source of funds for the entity;
(3) the degree of local autonomy the entity enjoys;
(4) whether the entity is concerned primarily with local, as opposed to statewide, problems;
(5) whether the entity has authority to sue and be sued in its own name; and
(6) whether the entity has the right to hold and use property.[17]

While none of these factors are dispositive, some bear more weight than others, with the most important being the source of funds for the entity.[18]

C. Abrogation of Sovereign Immunity by the Legislature

State sovereign immunity under the Eleventh Amendment may, in limited circumstances, be abrogated by a deliberate act of Congress under its Fourteenth Amendment powers.[19] The Fourteenth Amendment provides: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; 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."[20] Section 5 of the Fourteenth Amendment grants Congress the "power to enforce, by appropriate legislation, the provisions of this article."[21]

The Supreme Court imposed strict limits on Congress's abrogation powers in the case of Seminole Tribe v. Fla., 517 U.S. 44 (1996). There, the parties debated whether either the Interstate Commerce Clause or Indian Commerce Clause allowed Congress to abrogate the States' sovereign immunity in suits to enforce the Indian Gaming Regulatory Act.[22] The Court noted that the basic test for whether Congress has abrogated the States' sovereign immunity is

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

[12] Hans v. Louisiana, 134 U.S. 1, 33 L. Ed. 842, 10 S. Ct. 504 (1890); see also Blatchford v. Native Village of Noatak, 501 U.S. 775, 779, 115 L. Ed. 2d 686, 111 S. Ct. 2578 (1991).

[13] Calderon v. Ashmus, 523 U.S. 740, 745 n.2, 118 S. Ct. 1694, 140 L. Ed. 2d 970 (1998) (Eleventh Amendment is jurisdictional to the extent that it limits federal courts' judicial authority and can thus be raised at any time); Edelman v. Jordan, 415 U.S. 651, 678, 94 S. Ct. 1347, 39 L. Ed. 2d 662 (1974). The circuits have disagreed about whether Eleventh Amendment immunity is truly jurisdictional, because it may be waived and is not required to be addressed by the Court sua sponte. See Kovacevich v. Kent State Univ., 224 F.3d 806, 816 (6th Cir. 2000); Parella v. Rhode Island Employees' Retirement Sys., 173 F.3d 46, 54–55 (1st Cir. 1999).

[14] Wisconsin Dep't of Corr. v. Schacht, 524 U.S. 381, 389–390, 118 S. Ct. 2047 (1998).

[15] For example, in Anderson v. Red River Waterway Comm'n, 231 F.3d 211 (5th Cir. 2000) the Court held that a Louisiana local water commission was not an "arm of the state" that was entitled to Eleventh Amendment immunity. Id. at 214.

[16] Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627, 119 S. Ct. 2199, 2204 (1999) (quoting Hans v. Louisiana, 134 U.S. 1, 13 (1890)) (quoting The Federalist No. 81 (Alexander Hamilton); Hess v. Port Auth. Trans-Hudson Corp., 513 U.S. 30, 47, 115 S. Ct. 394, 404 (1994)

[17] Anderson v. Red Riv. Waterway Comm'n, 231 F.3d 211, 214 (5th Cir. 2000).

[18] Williams v. Dall. Area Rapid Transit, 242 F.3d 315, 319 (5th Cir. 2001).

[19] Fitzpatrick v. Bitzer, 427 U.S. 445, 453, 96 S. Ct. 2666, 2670 (1976).

[20] U.S. Const. amend. XIV, § 1.

[21] Id. § 5.

[22] Id. at 49, 52–53.

twofold: "first, whether Congress has unequivocally expressed its intent to abrogate the immunity, and second, whether Congress has acted pursuant to a valid exercise of power."[23]

The Court found that there was an unmistakably clear intent by Congress to abrogate waiver of immunity due to a provision in the statute vesting jurisdiction in the district courts.[24] The Court limited its analysis on the second factor to a single question: "Was the Act in question passed pursuant to a constitutional provision granting Congress the power to abrogate?"[25] The Seminole Tribe argued that the Interstate Commerce Clause, and by extension the Indian Commerce Clause, allowed Congress to abrogate immunity, based on the prior plurality holding in Pennsylvania v. Union Gas Co., 491 U.S. 1 (1989).[26]

The Court reviewed the Union Gas plurality's rationale and concluded that the case was an anomaly, and should be overruled.[27] The Court acknowledged that this meant the Interstate Commerce Clause was not a valid method of abrogating immunity, and the only remaining authorization for Congress to abrogate sovereign immunity law was within the Fourteenth Amendment.[28] Accordingly, the Court held that there was no waiver of sovereign immunity under the Eleventh Amendment for suits under the Indian Gaming Regulatory Act, and the suit against Florida had to be dismissed for lack of jurisdiction.[29] The key dicta of Seminole Tribe was that, if Congress wished to abrogate sovereign immunity, it was effectively limited to situations where the states violated Fourteenth Amendment rights.

The Supreme Court partially undid the dicta of Seminole Tribe in Central Virginia Community College v. Katz, where it held that Congress did have the power to abrogate sovereign immunity in the field of bankruptcy proceedings.[30] As will be discussed *infra*, this leaves the door open for Congress to possibly attempt another abrogation of sovereign immunity for patent laws.

Limiting Congress's power to abrogate Eleventh Amendment immunity would subsequently have profound effects on other fields, including IP litigation, as will be discussed in Section IV, *infra*.

D. State as Plaintiff—Waiver and Compulsory Counterclaims

While Eleventh Amendment immunity is an absolute defense, it still subject to waiver by the state entity, particularly if the state deliberately waives the defense or unequivocally waives it by its actions.[31] For example, waiver can occur if the State raises the Eleventh Amendment defense then withdraws it.[32]

The most notable way for the State to waive its Eleventh Amendment immunity is when it institutes suit as a plaintiff in federal court. Several circuits, including the Federal Circuit, have held that in that scenario, the state has waived immunity to any compulsory counterclaims arising from the same transaction.[33] Accordingly, cases where a state entity seeks to enforce an IP right or a right stemming from a transaction involving IP may open the door to *compulsory counterclaims* that are not barred by Eleventh Amendment immunity.

The quasi-jurisdictional aspect of Eleventh Amendment immunity can also be waived if the state entity files removal to federal court.[34] However, that waiver does not extend to the state entity's general immunity from liability; sovereign immunity can still be asserted as a defense against the claims after removal, but may not be used "to defeat federal jurisdiction or as a return ticket back to the state court system."[35]

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[23] Id. at 55 (internal citations and quotations omitted).
[24] Id. at 56–57.
[25] Id. at 59.
[26] Id. at 59–60.
[27] Id. at 67–72.
[28] Id. at 65–66.
[29] Id. at 76.
[30] Central Virginia Community College v. Katz, 546 U.S. 356, 361–63 (2006).
[31] E.g., Wisconsin Dep't of Corr. v. Schacht, 524 U.S. 381, 389, 118 S. Ct. 2047 (1998) (Breyer, J., concurring); Katz v. Regents of the Univ. of Cal., 229 F.3d 831, 834–835 (9th Cir. 2000) (states may affirmatively and unequivocally waive immunity).
[32] E.g., Kovacevich, 224 F.3d at 816; Parella, 173 F.3d at 54–55.
[33] See Board of Regents of Univ. of Wis. Sys. v. Phoenix Int'l Software, Inc., 653 F.3d 448, 468–471 (7th Cir. 2011) (allowing waiver of immunity for compulsory counterclaims, and overruling earlier case limiting to claims in recoupment); Regents of the Univ. of N.M. v. Knight, 321 F.3d 1111, 1124–1126 (Fed. Cir. 2003) (commencement of action claiming breach of contract in failing to assign patents to university waived any immunity as to compulsory counterclaims, because university could not both invoke jurisdiction of federal court and simultaneously resist that jurisdiction); Texas v. Caremark, Inc., 584 F.3d 655, 659–660 (5th Cir. 2009) (counterclaims arising from different transaction not within waiver of immunity).
[34] Lapides v. Bd. of Regents, 535 U.S. 613, 616, 122 S. Ct. 1640, 152 L. Ed. 2d 806 (2002) ("The question before us is whether the State's act of removing a lawsuit from state court to federal court waives [Eleventh Amendment] immunity. We hold that it does.").
[35] Meyers v. Texas, 454 F.3d 503, 504 (5th Cir. 2006).

II. FEDERAL IP LAW GENERALLY PREEMPTS STATE LAW

Most IP litigation practitioners are likely aware of the doctrine of federal preemption of state law, which provides federal courts with original jurisdiction over matters where federal law is exclusive under the Supremacy Clause.[36] In the most extreme cases, federal law preempts an entire field of law and any cases premised on that law, in a manner known as "field preemption." Patent law is one such field that is preempted,[37] and any case that pleads "a substantial question of federal patent law as a necessary element" has exclusive federal jurisdiction that divests state courts of jurisdiction—even if the plaintiff only pleads state law claims.[38]

A matter can also be completely preempted by a federal statute if "Congress intended the federal cause of action to be the exclusive cause of action for the particular claims asserted under state law."[39] Unlike partial preemption, which is only a defense,[40] complete preemption gives federal courts exclusive jurisdiction over a claim, even if it was brought in state court.[41] The Fifth Circuit, along with the Second, Fourth, and Sixth Circuits, have held that the Copyright Act provides for complete preemption of all state law claims concerning infringement that would be covered by the Copyright Act.[42]

Notably, one field in IP litigation that generally does not have complete preemption is that of trademark claims. Several circuits, including the Fifth Circuit, have held that the Lanham Act does not preempt trademark regulation, and states may still regulate and enforce common law related to trademarks.[43] Regardless, if a trademark claim is brought under the Lanham Act, there is a grant of federal question jurisdiction, and likely supplemental jurisdiction over related state-law claims.[44]

Accordingly, this article limits its concerns to the application of state sovereign immunity in federal courts, but will provide a brief overview of the structure of state sovereign immunity as defined by the laws and courts of Texas, as it is instructive to compare and contrast it with Eleventh Amendment immunity.

III. SOVEREIGN IMMUNITY IN TEXAS

A. Key Difference: Sovereign Immunity is Jurisdictional in State Courts

While the circuits have differed in their interpretation of whether Eleventh Amendment immunity is jurisdictional, in state courts in Texas, sovereign immunity from suit explicitly deprives the court of jurisdiction.[45] In a suit against a governmental defendant, the plaintiff has the burden of affirmatively pleading a valid waiver of immunity from suit that vests the trial court with jurisdiction.[46] Conclusory allegations, such as statements that a plaintiff's constitutional rights have been violated or that a person or agency exceeded its authority, are insufficient to establish a waiver of immunity from suit.[47]

B. What Governmental Entities Are Immune?

In Texas state courts, sovereign immunity extends far beyond the state itself. The state's agencies and political subdivisions also enjoy sovereign immunity.[48] Additionally, "[p]olitical subdivisions of the state—such as counties, municipalities and school districts—share the state's inherent immunity."[49] Sovereign immunity also protects state junior colleges, hospital districts, and other special-purpose governmental districts.[50]

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[36] Cipollone v. Liggett Group, Inc., 505 U.S. 504, 516, 120 L. Ed. 2d 407, 112 S. Ct. 2608 (1992) (holding it "settled that state law that conflicts with federal law is 'without effect'").

[37] See 28 U.S.C. § 1338(a) (district courts have original and exclusive jurisdiction of cases involving patents and copyright).

[38] Hunter Douglas, Inc. v. Harmonic Design, Inc., 153 F.3d 1318, 1337 (Fed. Cir. 1998).

[39] New Orleans & Gulf Coast Ry. Co. v. Barrois, 533 F.3d 321, 331 (5th Cir. 2008)

[40] Caterpillar Inc. v. Williams, 482 U.S. 386, 393, 107 S. Ct. 2425, 96 L. Ed. 2d 318 (1987).

[41] Barrois, 533 F.3d at 331.

[42] GlobeRanger Corp. v. Software AG, 691 F.3d 702, 706 (5th Cir. 2012).

[43] See, e.g., La Chemise Lacoste v. Alligator Co., 506 F.2d 339, 346 (3d Cir. 1974); Vitarroz Corp. v. Borden, Inc., 644 F.2d 960, 964 (2d Cir. 1981).

[44] 15 U.S.C.S. § 1121; CICCorp, Inc. v. Aimtech Corp., 32 F. Supp. 2d 425, 429 (S.D. Tex. 1998).

[45] E.g., Bland Indep. Sch. Dist. v. Blue, 34 S.W.3d 547, 554 (Tex. 2000).

[46] Dallas Area Rapid Transit v. Whitley, 104 S.W.3d 540 (Tex. 2003).

[47] Creedmoor-Maha Water Supply Corp., 307 S.W.3d at 516.

[48] General Servs. Comm'n v. Little-Tex Insulation Co., 39 S.W.3d 591, 594 (Tex. 2001); Lesley v. Veterans Land Board, 352 S.W.3d 479 (Tex. 2011); Lowe v. Tex. Tech Univ., 540 S.W.2d 297 (Tex. 1976); Tex. A&M Univ. v. Bishop, 996 S.W.2d 209, 212 (Tex.App.—Houston [14th Dist.] 1999, rev'd on other grounds, 35 S.W.3d 605 (Tex. 2000); Clark v. Univ. of Tex. Health Science Ctr., 919 S.W.2d 185, 187-88 (Tex.App.—Eastland 1996, n.w.h.).

[49] Wasson Interests, Ltd. v. City of Jacksonville, 489 S.W.3d 427, 429–30 (Tex. 2016).

[50] Tex. Civ. Prac. & Rem. Code § 101.001(2)(A)-(B); San Antonio Independent School Dist. v. McKinney, 936 S.W.2d 279 (Tex. 1996). See Loyd v. ECO Res., Inc., 956 S.W.2d 110, 122-123 (Tex.App.–Houston [14th Dist.] 1997, no pet); Bennett v. Brown

As it applies to local governmental entities, sovereign immunity is often referred to as "governmental immunity."[51] "When performing governmental functions, political subdivisions derive governmental immunity from the State's sovereign immunity."[52] This is notably different from the application of the Eleventh Amendment, which makes such immunity conditional on the multi-factor *Clark* test.

C. Immunity from Suit Versus Immunity from Liability

"Sovereign immunity embraces two principles: *immunity from suit* and *immunity from liability*."[53] The Texas Supreme Court explained the difference between the two as follows:

> *Immunity from suit* bars a suit against the State unless the State expressly gives its consent to the suit. In other words, although the claim asserted may be one on which the State acknowledges liability, this rule precludes a remedy until the Legislature consents to suit. ...
>
> *Immunity from liability* protects the State from judgments even if the Legislature has expressly given consent to the suit. In other words, even if the Legislature authorizes suit against the State the question remains whether the claim is one for which the State acknowledges liability. The State neither creates nor admits liability by granting permission to be sued.[54]

Thus, absent the State's express consent, sovereign immunity bars both suit and liability.[55] Accordingly, any plaintiff bringing suit for money damages against the State has the burden of proving the state has waived immunity from both suit and liability.[56] "A statute waives immunity from suit, immunity from liability, or both."[57]

D. *Ultra Vires* Suits for Prospective Injunctive and Equitable Relief

State courts, including Texas, have recognized an exception to immunity for suits brought against state *officials*, on the ground that those officials have acted outside of their statutory authority.[58] State officials are likewise subject to the equitable remedy of mandamus.[59] Thus, the doctrine of sovereign immunity did not apply to claims for injunctive or equitable relief seeking to force governmental officials to follow the law or to quit acting outside the scope of their authority.[60]

Notably, while retrospective monetary relief is prohibited in these matters, "suits to require state officials to comply with statutory or constitutional provisions are not prohibited by sovereign immunity, even if a declaration to that effect compels the payment of money."[61] This is because *ultra vires* suits do not attempt to exert control over the State—they attempt to reassert the control of the State. Stated another way, these suits do not seek to alter government policy, but rather to enforce existing policy: "[W]hile a lack of immunity may hamper governmental functions by

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County Water Imp. Dist. No. 1, 272 S.W.2d 498 (Tex. 1954); Willacy County Water Control and Improvement Dist. No. 1 v. Abendroth, 177 S.W.2d 936 (Tex. 1944); Biclamowicz v. Cedar Hill Indep. School Dist., 136 S.W.3d 718 (Tex.App.–Dallas 2004, no pet. h.).

[51] Harris County Hosp. Dist. v Tomball Reg'l Hosp., 283 S.W.3d at 842 ("[g]overnmental immunity, like the doctrine of sovereign immunity to which it is appurtenant, involves two issues: whether the State has consented to suit and whether the State has accepted liability").

[52] City of Houston v. Williams, 353 S.W.3d 128, 131 (Tex. 2011).

[53] Fed. Sign v. Tex. S. Univ., 951 S.W.2d 401, 405 (Tex. 1997).

[54] Id.; see also State v. Lueck, 290 S.W.3d 876 (Tex. 2009) ("[i]mmunity from suit is a jurisdictional question of whether the State has expressly consented to suit. … On the other hand, immunity from liability determines whether the State has accepted liability even after it has consented to suit"); Harris County. Hosp. Dist. v. Tomball Reg'l Hosp., 283 S.W.3d 838, 842 (Tex. 2009) ("[g]overnmental immunity, like the doctrine of sovereign immunity to which it is appurtenant, involves two issues: whether the State has consented to suit and whether the State has accepted liability").

[55] Jones, 8 S.W.3d at 638; Federal Sign, 951 S.W.2d at 408; Holder, 954 S.W.2d at 808.

[56] See City of Houston v. Arney, 680 S.W.2d 867 (Tex.App.—Houston [1st Dist.] 1984, no writ).

[57] Lueck, 290 S.W.3d at 880.

[58] Heinrich, 284 S.W.3d at 371-73; E.g., Cobb v. Harrington, 190 S.W.2d 709, 712 (Tex. 1945).

[59] In re Smith, 333 S.W.3d 582, 585 (Tex. 2011) (sovereign immunity will not bar suit for mandamus, i.e., seeking to compel a ministerial act that does involve the exercise of discretion).

[60] Henrich, 284 S.W.3d at 371; Anderson v. City of Seven Points, 806 S.W.2d 791, 793 (Tex. 1991); Bullock v. Calvert, 480 S.W.2d 367 (Tex. 1972).

[61] Heinrich, 284 S.W.3d at 372.

requiring tax resources to be used for defending lawsuits … rather than using those resources for their intended purposes … this reasoning has not been extended to *ultra vires* suits."[62]

IV. ELEVENTH AMENDMENT SOVEREIGN IMMUNITY GENERALLY BARS IP LITIGATION AGAINST STATE ENTITIES

Prior to Seminole Tribe, discussed above, Congress sought to abrogate state sovereign immunity for copyright, trademark, and patent liability. Accordingly, in 1990, Congress enacted the Copyright Remedy Clarification Act ("CRCA") which included a clear statement that states "shall not be immune, under the Eleventh Amendment of the Constitution . . . or any other doctrine of sovereign immunity, from suit in Federal Court . . ."[63] The Trademark Remedy Clarification Act ("TRCA") and Patent and Plant Variety Remedy Clarification Act ("PRCA") followed, each of which took similar measures to abrogate state sovereign immunity for their respective fields.[64]

However, in the wake of Seminole Tribe, it was once again unclear whether Congress had the power to abrogate sovereign immunity in these laws. In the companion cases of Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627, 119 S. Ct. 2199 (1999) [Florida Prepaid I]; and College Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666, 119 S. Ct. 2219 (1999) [Florida Prepaid II], the Supreme Court made clear that it did not.

Florida Prepaid I concerned a patent infringement suit brought by the plaintiff against a state entity for alleged violations of a patent for financial savings methodologies.[65] After the Seminole Tribe decision, the state entity moved to dismiss on sovereign immunity grounds and argued that the PRCA was unconstitutional.[66] The Court reaffirmed Seminole Tribe's holding that Congress could not abrogate state sovereign immunity under its Article I powers, and looked exclusively to whether the PRCA could survive under Section 5 of the Fourteenth Amendment.[67] The Court held that the PRCA could not, because legislation had to be "appropriate" under Section 5, meaning that it needed to be proportionate to concerns about potential unconstitutional behavior by the states.[68]

Specifically, the Court found that "[i]n enacting the [PRCA] . . . *Congress identified no pattern of patent infringement by the States, let alone a pattern of constitutional violations*."[69] The majority also made the somewhat dubious argument that there may be sufficient state law remedies for patent infringement (despite federal preemption of such claims) that could avoid the necessity for abrogation.[70] *Without evidence that there was unremedied patent infringement*, Congress did not have the ability to abrogate state sovereign immunity—even to the extent that a taking of a patent right violated procedural due process.[71] The Court concluded that the PRCA's remedies were disproportionate to the harm they were meant to address, and therefore could not stand under Section 5 of the Fourteenth Amendment.[72]

Florida Prepaid II concerned similar claims brought by the plaintiff under the Lanham Act.[73] While the Court acknowledged that the right to exclude is crucial for property rights, it held that there was no "property right in freedom from a competitor's false advertising about its own products."[74] The Court found that there was no deprivation of property for an unfair competition dispute, and therefore there was no authority under Section 5 of the Fourteenth Amendment for Lanham Act claims whatsoever.[75] In the alternative, the plaintiff argued that the sovereign could waive immunity "constructively" through participation in conduct covered by federal legislation and one traditionally used by private persons.[76] The Court firmly disagreed, and generally concluded that any form of "constructive" waiver of sovereign immunity could not be squared with the requirement that waiver be explicit.[77] The Court concluded that "where the constitutionally guaranteed protection of the States' sovereign immunity is involved, the point of coercion

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[62] Id. at 372–73.
[63] 17 U.S.C. § 511.
[64] 15 U.S.C. §§ 1122, 1125(a)(2); 35 U.S.C. §§ 271(h), 296.
[65] 527 U.S. at 631–32.
[66] Id. at 633.
[67] Id. at 637–38.
[68] Id. at 639–40.
[69] Id. at 640 (emphasis added).
[70] Id. at 643–44.
[71] Id. at 645–47.
[72] Id. at 646–47.
[73] 527 U.S. at 671.
[74] Id. at 673.
[75] Id. at 675.
[76] Id. at 679–80.
[77] Id. at 681–82.

is automatically passed—and the voluntariness of waiver destroyed—when what is attached to the refusal to waive is the exclusion of the State from otherwise lawful activity."[78]

Notably, the two Florida Prepaid cases are logically inconsistent with the Court's subsequent decision that Congress could abrogate sovereign immunity for bankruptcy proceedings, made just seven years later in Katz.[79] The dissent in Katz explicitly argued that Article I authorization for the protection of copyrights and patents would be equivalent to the rationale that Congress has exclusive rights under Article I to create uniform bankruptcy laws.[80] The dissent's logical conclusion was that either both the patent power and bankruptcy power should grant Congress the ability to abrogate, or neither—and since the dissent was authored by several members of the majority in Florida Prepaid, they presumably leaned toward neither.[81] However, the conflict between these two decisions has not been harmonized to date.

The Florida Prepaid decisions explicitly struck down the PRCA and TRCA. However, as Justice Stevens noted in his dissent to Florida Prepaid I, the CRCA differed from the PRCA because its legislative history *did* include numerous examples of copyright infringement by states.[82]

In the immediate wake of Florida Prepaid, the Supreme Court did not follow suit and invalidate the CRCA. In the meantime, the Fifth Circuit *did* rule against the CRCA's abrogation of sovereign immunity.

The Fifth Circuit ruled against the constitutionality of the CRCA in the series of cases comprising Chavez v. Arte Publico Press: 59 F.3d 539, 547 (5th Cir. 1995) [Chavez I]; 157 F.3d 282, 287 (5th Cir. 1998) [Chavez II]; and 204 F.3d 601 (5th Cir. 2000) ([Chavez III], which are also instructive for the difference in IP litigation against governmental entities before and after Seminole Tribe and Florida Prepaid.

In Chavez I, the plaintiff brought Lanham Act and Copyright Act claims against a component of the University of Houston, arguing that she could withdraw her consent for them to print copies of her works.[83] Plaintiff relied on an implied waiver argument similar to the one later used (and disapproved of) in Florida Prepaid II.[84] The Fifth Circuit initially found a valid implied waiver of sovereign immunity, but the Supreme Court remanded the case for reconsideration after issuing Seminole Tribe.[85]

In Chavez II, apparently anticipating the rational of the Florida Prepaid decisions, the Fifth Circuit panel recognized that the implied waiver theory was no longer viable, and held that the CRCA and TRCA were invalid exercises of legislative power under Section 5 of the Fourteenth Amendment.[86] Chavez II was vacated en banc, but then remanded to the panel once more after the Florida Prepaid decisions were handed down.[87]

In Chavez III, the panel took the remand as an opportunity for explicit consideration of the authorization for the CRCA under Section 5 of the Fourteenth Amendment.[88] Despite the acknowledgement that there may have been more evidence of a pattern of copyright infringement than that of patents, the Fifth Circuit decided that these were still insufficient to allow for abrogation of sovereign immunity.[89] Further, the Fifth Circuit relied on the fact that once again Congress had not considered possible state remedies, and had even considered possible concurrent jurisdiction in state and federal courts.[90] The Fifth Circuit concluded that, like the PRCA in Florida Prepaid I, the legislative history did not support authority for Congress to abrogate sovereign immunity through the CRCA under Section 5 of the Fourteenth Amendment.[91]

Twenty years later, in Allen v. Cooper, 140 S. Ct. 994 (2020), the Supreme Court completed the trio and struck down the CRCA. In holding that Congress did not validly abrogate state sovereign immunity via the CRCA, the Supreme Court reasoned that:

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[78] Id. at 687.
[79] 356 U.S. at 381–85 (Thomas, J., dissenting).
[80] Id. at 384–85.
[81] See id.
[82] 527 U.S. at 646 & n.10 (Stevens, J., dissenting).
[83] 59 F.3d at 540.
[84] Id. at 542–44.
[85] See Chavez II, 157 F.3d at 287.
[86] Id.
[87] Chavez III, 204 F.3d at 604.
[88] Id. at 604–05.
[89] Id. at 606–07.
[90] Id. at 607.
[91] Id. at 607–08.

> Florida Prepaid all but prewrote our decision today. That precedent made clear that Article I's Intellectual Property Clause could not provide the basis for an abrogation of sovereign immunity. And it held that § 5 of the Fourteenth Amendment could not support an abrogation on a legislative record like the one here.[92]

In Allen, a videographer and his company alleged that North Carolina and several of its state officials used his copyrighted footage of exploration of an undersea wreck.[93] To get around the sovereign immunity issue, Allen argued that the CRCA was validly enacted and that Katz implicitly overruled the prior holdings in the Florida Prepaid cases.[94] The Supreme Court was unpersuaded by this argument. "[E]verything in Katz," Justice Kagan noted, "is about and limited to the Bankruptcy Clause; the opinion reflects what might be called bankruptcy exceptionalism."[95]

Even putting aside the bankruptcy context in which Katz was decided, the Court found that Florida Prepaid and stare decisis alone were sufficient to "doom Allen's argument."[96] The Court noted neither a difference between copyrights and patents under the Intellectual Property Clause, nor any material difference between the CRCA and PRCA.[97] To strike down the CRCA, the Court would have to overrule Florida Prepaid.[98] Given the weighty confines of stare decisis, this the Court could not do.[99]

The Court also examined Congressional abrogation of sovereign immunity under Section 5 of the Fourteenth Amendment.[100] Allen tried to distinguish the CRCA from the PRCA by pointing to the fact that, when drafting the CRCA, Congress had solicited a report from the Register of Copyrights, which concluded that copyright holders would suffer immediate harm if unable to sue infringing states.[101] The Court found the report insufficient to "flip Florida Prepaid's outcome."[102] According to the Court, the report contained little evidence of actual state infringement, and no concern for whether those few instances were the sort of intentional infringements that violate due process, as opposed to honest or innocent mistakes.[103] In other words, just like the PRCA in Florida Prepaid, the CRCA failed to strike a congruent and proportional balance.[104]

Following Allen, all three clarification acts that intended to abrogate sovereign immunity for IP matters have been struck down as invalid exercises of legislative power. With direct relief against state entities is barred by sovereign immunity, only limited alternative avenues exist to prevent infringement of IP rights by the government.

V. POSSIBLE EXCEPTIONS TO GOVERNMENTAL IMMUNITY IN IP MATTERS

A. *Ultra Vires Suits and Ex Parte Young*

One possible exception can be found in the doctrine of Ex parte Young,[105] which in many ways mirrors the *ultra vires* exception in Texas state courts. In Young, a railroad shareholder challenged a Minnesota law that lowered railroad freight rates, and obtained a temporary injunction against the state's attorney general preventing him from enforcing that law.[106] The attorney general violated the injunction by initiating a state enforcement action, and the Circuit Court held him in contempt, leading the attorney general to challenge federal jurisdiction on the basis of Eleventh Amendment sovereign immunity.[107]

The Supreme Court disagreed, and held that if an unconstitutional law is "void", "a state official who enforces that law 'comes into conflict with the superior authority of [the] Constitution,' and therefore is 'stripped of his official or representative character and is subjected in his person to the consequences of his individual conduct. The State has no power to impart to him any immunity from responsibility to the supreme authority of the United States.'"[108]

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[92] Allen v. Cooper, 140 S. Ct. 994, 1007 (2020).
[93] Id. at 999.
[94] Id. at 1002.
[95] Id.
[96] Id. at 1003.
[97] Id.
[98] Id.
[99] Id.
[100] Id. at 1003–07.
[101] Id. at 1006.
[102] Id.
[103] Id.
[104] Id. at 1007.
[105] 209 U.S. 123, 28 S. Ct. 441 (1908).
[106] Id. at 149.
[107] Id. at 143.
[108] Va. Office for Prot. & Advocacy v. Stewart, 563 U.S. 247, 253–55, 131 S. Ct. 1632, 1637–38 (2011) (quoting Young, 209 U.S., at 159-160, 28 S. Ct. 441).

Like the *ultra vires* exception in Texas, the Young doctrine allows purely prospective relief against an ongoing violation of federal law by a state official.[109] The requirement that the violation be ongoing excludes harm that occurred solely in the past.[110] Also like the *ultra vires* exception, prospective relief does not include retroactive monetary damages.[111] This means that a plaintiff may not recover for any monetary harm incurred before the date when it could rightfully obtain injunctive relief (at a minimum, when suit was filed).[112]

In the IP context, it remains an open question whether attorneys' fees may be awarded under the Young exception to Eleventh Amendment. The Supreme Court has been clear that "a suite by private parties seeking to impose a liability which must be paid from public funds in the state treasury is barred by the Eleventh Amendment," at least when the claim does not arise under a post-Eleventh Amendment right.[113] In Edelman v. Jordan, the Supreme Court wrestled with the types of permissible relief and noted that "the difference between the type of relief barred by the Eleventh Amendment and that permitted under Ex parte Young will not in many instances be that between day and night."[114] The Court considered that certain types of equitable relief yielded "fiscal consequences to state treasuries" which were "the necessary result of compliance with decrees which by their terms were prospective in nature."[115] It went on:

> State officials, in order to shape their official conduct to the mandate of the Court's decrees would more likely have to spend money from the state treasury than if they had been left free to pursue their previous course of conduct. Such an ancillary effect on the state treasury is a permissible and often an inevitable consequence of the principle announced in Ex parte Young.[116]

In the vast majority of cases, a plaintiff seeking to enjoin a state official under Young may recover attorneys' fees under a particular civil rights statute, such as 42 U.S.C. § 1988 or Title VII. In Fitzpatrick v. Bitzer, the Supreme Court noted the potential tension between prospective relief under Young and an award of attorneys' fees.[117] However, because the award of attorneys' fees ultimately flowed from Title VII, the Court declined to address whether attorneys' fees were properly characterized as prospective relief or retroactive money damages.[118]

While Young's exception may seem broad, it does not provide an unlimited right to prospective relief against state officials. For example, when a statute provides a specific remedy that would seem to exclude Young, then federal courts have held that there is no cause of action against the state official.[119]

In Seminole Tribe and its progeny, the Court did consider the possibility of injunctive relief. While the Court did not overrule Young, it did exclude it as a possible source of relief in that matter, because the remedial scheme in the statute provided a specific remedy and did not provide for injunctive relief against the state official, and therefore did not allow for a cause of action under Young.[120] Unlike that case, the statutes providing for IP litigation relief do not have a designated remedial scheme to sue the state; the closest those statutes came were in the PRCA, CRCA, and TRCA, and those could not be interpreted as similarly exclusive remedial schemes. Accordingly, this path appears to remain open to enjoin ongoing violations of patent or copyright law by state officials.

Before the Supreme Court granted certiorari in the above-referenced Allen v. Cooper, Allen argued at the Fourth Circuit that, because the state was still infringing his copyrights, there were ongoing violations that could allow him to seek prospective relief against state officials under Young.[121] Specifically, Allen alleged that the defendants had published six infringing videos on their website, but also admitted that these had been removed by the time of

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[109] Verizon Md. Inc. v. Public Serv. Comm'n of Md., 535 U.S. 635, 122 S. Ct. 1753, 152 L. Ed. 2d 871 (2002).

[110] Green v. Mansour, 474 U.S. 64, 106 S. Ct. 423, 88 L. Ed. 2d 371 (1985).

[111] Sossamon v. Texas, 563 U.S. 277, 286, 131 S. Ct. 1651, 1659 (2011).

[112] Edelman v. Jordan, 415 U.S. 651, 664, 94 S. Ct. 1347, 1356 (1974).

[113] Edelman v. Jordan, 415 U.S. 651, 66 (1974) (citing Great N. Life Ins. Co. v. Read, 322 U.S. 47 (1942) and Kennecott Copper Corp. v. State Tax Comm'n, 327 U.S. 537 (1946)).

[114] Id. at 667.

[115] Id. at 667–68.

[116] Id. at 668.

[117] Fitzpatrick v. Bitzer, 427 U.S. 445, 457 (1976) ("the state officials contest the Court of Appeals' conclusion that an award of attorneys' fees in this case would under Edelman have only an 'ancillary effect' on the state treasury and could therefore be permitted as falling outside the Eleventh Amendment under the doctrine of Ex parte Young").

[118] Id. ("We need not address this question, since, given the express congressional authority for such an award in a case brought under Title VII").

[119] Schweiker v. Chilicky, 487 U.S. 412, 423, 101 L. Ed. 2d 370, 108 S. Ct. 2460 (1988) ("When the design of a Government program suggests that Congress has provided what it considers adequate remedial mechanisms for constitutional violations that may occur in the course of its administration, we have not created additional . . . remedies").

[120] Seminole Tribe, 517 U.S. at 74–76.

[121] Allen v. Cooper, 895 F.3d 337, 354 (4th Cir. 2018), *aff'd by* 140 S. Ct. 994, 1007 (2020).

hearing.[122] The Fourth Circuit concluded that under these facts that plaintiffs had not shown an ongoing violation that would allow for prospective relief.[123] Accordingly, the court held that plaintiffs had not established illegal acts or enforcement of an illegal statute that would satisfy Ex parte Young's requirements.[124]

Notably, the Supreme Court's decision affirming the Fourth Circuit's ruling in Allen did not even mention Ex parte Young. This raises the question whether some of the justices might be reconsidering this long-established exception to sovereign immunity. For now, practitioners can only wait for a future case that presents the Court with an opportunity to further define—or limit— the scope of Young's waiver of immunity in IP litigation.

In the meantime, the very act of seeking an injunction under Young may well persuade a governmental entity to discontinue its infringement. As such, Young should be viewed by practitioners as another tool to remedy intellectual property violations by governmental entities.

B. Inter Partes Review of Patents

The Leahy-Smith America Invents Act of 2012[125] established a formal process called "inter partes review" ("IPR") that allowed the US Patent and Trademark Office (PTO) to reconsider and possibly cancel a previously issued patent claim.[126] Any person other than the patent owner can file a petition for IPR, and request cancellation of "1 or more claims of a patent" on the grounds that the claim fails the novelty or nonobviousness standards for patentability.[127] The patent owner can then file a preliminary response to attempt to prevent IPR from occurring.[128]

Before IPR can be instituted, the Director of the PTO must determine whether there is a reasonable likelihood the petitioner may succeed on any claim.[129] If the petition is granted, the Patent Trial and Appeal Board, a body of administrative patent judges, conducts IPR.[130] Before the Board's decision becomes final, the Director must issue a certificate to cancel any unpatentable claims.[131] Any party dissatisfied with the Board's decision may seek review in the Federal Circuit.[132]

The Supreme Court has recently concluded that IPR is constitutional. In the 7–2 decision of Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC, 138 S. Ct. 1365 (2018), the Court decided that the IPR process did not violate either Article III or the Seventh Amendment of the Constitution, reasoning that IPR was not actually a judicial proceeding, but rather a matter involving public rights which could be carried out by the legislative or executive branches.[133] Like any public rights franchise, Congress could reserve the right for an administrative agency to revoke or amend that franchise.[134] Post-issuance administrative review of a patent was still administrative review, and therefore not a violation of either Article III's jurisdiction requirements or the right to trial by jury.[135]

However, Oil States Energy strikes an interesting contrast with another Supreme Court decision in the same session, SAS Institute v. Iancu, 138 S. Ct. 1348 (2018). That case had nearly opposite dicta which stated that IPR "mimics civil litigation."[136] There, the Court pointed out that the petitioner "define[s] the contours of the proceeding" and that IPR was a "party-directed, adversarial" process rather than the "inquisitorial approach" in both the creation of a patent and the prior ex parte methods for patent reexamination.[137]

In Saint Regis Mohawk Tribe v. Mylan Pharm., Inc., 896 F.3d 1322 (Fed. Cir. 2018), the Federal Circuit concluded that tribal immunity did not apply to IPR of patents.[138] There, the pharmaceutical Allergan sought to transfer certain

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[122] Id. at 354–55. The plaintiffs argued that past and future violations of the copyright required injunction, but the Fourth Circuit held that this improperly conflated the Young exception and the doctrine of mootness. See id.
[123] Allen, 895 at 354–55.
[124] Id.
[125] 35 U.S.C. § 100 *et. seq.*
[126] Id. § 311(a).
[127] Id. § 311(b).
[128] Id. § 313.
[129] Id. § 314(a).
[130] Id. §§ 6, 316(c).
[131] Id. § 143; See also Cuozzo Speed Technologies, LLC v. Lee, 136 S. Ct. 2131 (2016).
[132] Id.
[133] Id. at 1373–74.
[134] Id. at 1375.
[135] Id. at 1376, 1379.
[136] Id. at 1352.
[137] Id. at 1355.
[138] Id. at 1328–29.

patents to an Indian tribe, allegedly to evade review of the patents.[139] Mylan Pharmacy sought IPR, and the Tribe responded by pleading tribal immunity.[140]

Utilizing the reasoning from Oil States Energy, the Federal Circuit held that IPR did not implicate tribal immunity because it was more akin to agency enforcement than a civil suit brought by a party.[141] The court reasoned that while the Director's discretion was constrained, he still had the decision as to whether institute review—and therefore, the private party did not have the ultimate authority as to whether suit could be brought against the sovereign entity.[142] Further, while the parties to IPR have an adversarial relationship, the petitioner and even the patent owner may "drop out" of the proceedings while review continues.[143] Lastly, the Federal Circuit concluded that Congress did not contemplate that tribal immunity would apply in IPR proceedings, considering it was essentially a reexamination of a prior agency decision.[144]

If IPR does not violate tribal immunity, Eleventh Immunity for states may also be inapplicable to petitions for IPR for much the same reasons: the patents that the USPTO giveth, it may taketh away. Because the Supreme Court denied certiorari,[145] Saint Regis Mohawk may provide another possible avenue for IP plaintiffs to challenge a patent held by a state entity.

C. Copyright Infringement as the Basis of a Takings Claim

Another potential method of getting around Eleventh Amendment immunity is to recast a copyright infringement claim as a governmental taking. In other words, rather than bringing an action for infringement against a governmental entity, a plaintiff may allege that a governmental entity's infringement constitutes a governmental taking for which just compensation is due. This was the plaintiff's approach in Univ. of Houston Sys. v. Jim Olive Photography.[146]

In Jim Olive, a photographer brought suit against the University of Houston for allegedly infringing copyrighted video footage of downtown Houston, Texas.[147] The plaintiff alleged a takings claim under Tex. Const. art. I, § 17.[148] At the district court, the defendant filed a plea to the jurisdiction, arguing that because the plaintiff had failed to file a viable takings claims, it retained governmental immunity, which stripped the trial court of its subject matter jurisdiction.[149] Specifically, the defendant university argued that governmental taking of intellectual property does not constitute a viable takings claim. The trial court disagreed, and denied the defendant's plea.[150]

The Houston Court of Appeals reversed, finding that (i) the plaintiff had not stated a viable takings claim and (ii) therefore the district court erred in denying the defendant's plea to the jurisdiction.[151] The court acknowledged that copyright was a protected property interest under the due process clause, but found that this did not necessarily mean that a copyright was property for the purposes of the takings clause.[152] Confronted with "scant" legal authority, the court looked to other takings claims in the context of intellectual property.[153] It rejected plaintiff's comparisons to trade secrets, finding that "copyright is distinguishable from a trade secret, which, if disclosed to others, results in a loss of the property interest and the economic value of the competitive advantage inherent in the trade secret."[154] In other words, according to the court, the unauthorized use of a copyright does not strip the economic value of the copyright because the copyright holder may still use the work, and license the work to others. The court also cited instances in which a takings claim was not supported by allegations of trademark and patent infringement.[155] Taken together, the court concluded that the plaintiff had not pled a viable takings claim for copyright infringement.[156]

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[139] Id. at 1325.
[140] Id.
[141] Id. at 1327.
[142] Id. at 1327–28.
[143] Id. at 1328; See also Cuozzo, 136 S. Ct. at 2144.
[144] Id. at 1329.
[145] St. Regis Mohawk Tribe v. Mylan Pharms., Inc., 139 S. Ct. 1547 (2019).
[146] Univ. of Houston Sys. v. Jim Olive Photography, 580 S.W.3d 360 (Tex. App.—Houston [1st Dist.] 2019, pet. filed).
[147] Id. at 363.
[148] Id.
[149] Id.
[150] Id.
[151] Id. at 377.
[152] Id. at 367.
[153] Id. at 377.
[154] Id. at 376.
[155] Id. at 372–77.
[156] Id. at 377.

In February 2021, the Supreme Court of Texas heard oral arguments in Jim Olive. Practitioners should pay close attention to the outcome. Should the Court reverse and find that copyright infringement can form the basis of a takings claim, the decision will offer a viable roadmap to holding governmental entities accountable for copyright infringement.

CONCLUSION

The general rules for IP litigation against state entities are straightforward: federal law controls, allowing removal jurisdiction, and Eleventh Amendment immunity bars the suit. The exceptions that might allow an IP lawsuit involving a state entity to go forward are few, and include cases where the state entity is a plaintiff (allowing the defendant to bring compulsory counterclaims), cases where a particular state official can be barred from future use of the intellectual property, and cases where a patent is invalid and subject to inter partes review. These exceptions are frequently inflexible, so practitioners should keep them in mind for any lawsuit involving a state entity.