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## State Sovereign Immunity and Intellectual Property: An Evaluation of the Trademark Remedy Clarification Act's Attempt to Subject States to Suit in Federal Courts for Trademark Infringements Under the Lanham Act

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**STATE SOVEREIGN IMMUNITY AND  
INTELLECTUAL PROPERTY: AN  
EVALUATION OF THE TRADEMARK  
REMEDY CLARIFICATION ACT'S  
ATTEMPT TO SUBJECT STATES TO SUIT IN  
FEDERAL COURT FOR TRADEMARK  
INFRINGEMENTS UNDER THE LANHAM  
ACT**

**JENNIFER L. FESSLER, ESQ.\***

**INTRODUCTION**

States and state institutions actively participate in the trademark system, and maintain all the benefits of that system while escaping the limitations. For example, state universities hold rights to a massive amount of trademarks, and as such they have all the rights of a trademark plaintiff but avoid the liability of a trademark defendant. This means that a state can aggressively protect its mark by bringing suits against those who infringe it, while individual trademark owners cannot bring suit against the state for the state's infringing use. It is easy to see the inequity present in this situation. Where is the fairness in allowing one trademark owner to avoid financial liability for its infringing actions, but not another? Where is the justice in allowing states to vigorously bring suits against others for infringements, but others cannot do the same when the state infringes their mark? In *New Star Lasers, Inc. v. Regents of the University of California*, the court acknowledged the inequities present, and stated that it could think of, "no other context in which a litigant may lawfully enjoy all the benefits of a federal property or right, while rejecting its limitations."<sup>1</sup> This is the very issue that

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<sup>1</sup> *New Star Lasers v. Regents of the Univ. of Cal.*, 63 F. Supp. 2d 1240, 1244 (E.D. Cal. 1999).

Congress set out to remedy in the Trademark Remedy Clarification Act (TRCA).<sup>2</sup> The TRCA sought to place state and individual trademark holders on equal footing by abrogating state sovereign immunity, thereby subjecting states to suit in federal court for violations of federal trademark law, which is codified in the Lanham Act. This legislative action was in response to the Supreme Court's announcement of the requirements Congress must meet before it can validly abrogate state sovereign immunity. However, like a metaphoric game of ping-pong, once Congress passed the TRCA in an attempt to meet the Court's new requirements, the Court refined the requirements. Now, the TRCA must be examined to determine if it can meet these new requirements, or whether it will have to go back to the drawing board. This is an important evaluation to make, because if the TRCA fails to meet the requirements set forth by the Court, then its attempt to abrogate state sovereign immunity also fails, and the inequity remains.

In Section II, I address the first issue in this comment; how this legal game of "ping-pong" between Congress and the Supreme Court began. Prior to the ratification of the Eleventh Amendment there were concerns that the states would be subject to suit in federal court. Then, when the Eleventh Amendment was ratified, those concerns were alleviated, but new issues emerged. The ratification of the Eleventh Amendment set the ball in motion, and so the game between Congress and the Court began. At the outset, the language of the Eleventh Amendment was very narrow, yet the Court interpreted it broadly. This broad reading of the Amendment gave states greater protection than the plain language called for. As a result of this broad interpretation, the balance between the competing interests of state and federal government shifted in the states' favor. After providing the states with broad immunity, and setting the balance of power into the states' favor, the Court attempted to alleviate the inequity it had established by carving out some ways that a state could be subject to suit in federal court. One

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<sup>2</sup> Pub. L. No. 102-542, 106 Stat. 3567 (1992) (codified at 15 U.S.C., §§ 1114(1), 1122, 1125(a), 1127 (2000)).

of the ways the Court allowed states to be sued in federal court was if Congress abrogated state immunity through legislative action. It seems that ever since the Court gave Congress this opportunity to abrogate state sovereign immunity through legislation, it has done all it can to limit this ability and shield the states from such suits. Therefore, it appears that the Court and Congress are playing on opposite sides of the table when it comes to states rights. While the Court appears to be vigilantly fighting for broad protection of states rights, Congress seems to be aggressively trying to maintain some balance of power between individual and states rights by enacting legislation that would abrogate state immunity in appropriate circumstances.

Section III of this comment discusses the tensions between the competing values of federalism and federally protected individual rights that recent cases illustrate. When Congress would create legislation with the intent to abrogate state immunity, the Court responded by placing greater limitations on Congress's ability to abrogate through their broad interpretation of the language of the Eleventh Amendment. Congress then had to rewrite the legislation, only for the Court to turn around and find that the Constitution required even greater limitations be placed on Congressional authority to abrogate. Hence, the Supreme Court and Congress are more or less passing the ball back and forth between each other when it comes to abrogation of state immunity. In the context of trademarks, this is the game that has been played between Congress and the Supreme Court since the enactment of the Lanham Act.

Section IV evaluates whether the new limitations placed on Congress's ability to abrogate state sovereign immunity through legislation invalidates the TRCA's attempt to abrogate. The Court has already struck down Congress's attempt to subject states to suit in federal court for false advertising claims brought pursuant to the TRCA. However, the Court left open the question of whether Congress's attempt to subject states to suit in federal court for trademark infringement claims brought under the TRCA is a valid abrogation of state sovereign immunity. In this section I examine the TRCA's validity when it comes to trademark

infringement claims to determine if it can pass the vigorous test set out by the Court in such cases as *Seminole Tribe v. Florida*<sup>3</sup> and *City of Boerne v. Flores*<sup>4</sup>. Those two cases provide an analytical framework by which all legislative attempts to abrogate state sovereign immunity must be evaluated.

In *Seminole Tribe*, the Court established that there are two requirements that need to be met for legislation to validly abrogate a state's Eleventh Amendment immunity. First, Congressional intent to abrogate state immunity must be clear in the language of the legislation.<sup>5</sup> Second, Congress must be enacting the legislation pursuant to a constitutional provision that grants it the authority to do so.<sup>6</sup> Currently, the only constitutional authority recognized by the Supreme Court for Congress's enactment of abrogating legislation is section 5 of the Fourteenth Amendment. In determining whether Congress had the authority to act pursuant to its section 5 powers, the legislation must then be evaluated under a three-factor test set forth in *City of Boerne*.<sup>7</sup> In this final section of the comment I will go through each of the three factors individually to determine whether the TRCA meets the requirements of that test.

The first factor analyzes whether the interests sought to be protected by the statute are interests which are protected by the substantive provisions of the Fourteenth Amendment. I submit that the interests protected by the infringement provisions of the Lanham Act are interests that qualify as "property" for purposes of the Due Process Clause. However, just because there is a constitutional right at issue, does not answer the question of whether there has been a due process violation. The TRCA also has to be preventative or remedial in nature, which is the second factor of the test. I suggest that in the case of a trademark infringement suit, the Court would not find the legislation to be remedial or preventative in

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<sup>3</sup> *Seminole Tribe v. Florida*, 517 U.S. 44 (1996).

<sup>4</sup> *City of Boerne v. Flores*, 521 U.S. 507 (1997).

<sup>5</sup> *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234 (1985).

<sup>6</sup> *Seminole Tribe*, 517 U.S. at 59.

<sup>7</sup> *City of Boerne*, 521 U.S. at 520.

nature because the record does not indicate any pattern or history of trademark infringement by the states or mention whether the states provide adequate remedies for such violations. I argue that by requiring Congress to provide such a record of violations it is ignoring the fact that a record cannot be established unless law suits are being brought, and few people are going to waste time and money bringing a suit against a state in light of the Supreme Court's sovereign immunity jurisprudence. This requirement thus backs Congress into a corner from which it can never escape. Before the Court can conclude that there has been no pattern or history of trademark violations by the state, it has to first give individuals the opportunity to bring such suits against the state. Unfortunately, for lack of this record, the Court would probably come to the same conclusion that it did when it examined the validity of the Patent Remedy Clarification Act, which is that because there is no pattern or history of constitutional violations, there is no congruence or proportionality between the injury to be prevented or remedied and the means to that end, which is the final factor of the test. Therefore, if the Court were to evaluate the constitutional validity of the TRCA's attempt to abrogate state sovereign immunity and subject states to suit in federal court for trademark infringement, the attempt would probably be ruled unconstitutional.

#### **I. HISTORICAL DEVELOPMENT OF STATE SOVEREIGN IMMUNITY**

“It is inherent in the nature of sovereignty not to be amenable to the suit of an individual *without its consent*. This is the general sense, and the general practice of mankind; and the exemption, as one of the attributes of sovereignty, is now enjoyed by the government of every State in the Union. Unless, therefore, there is a surrender of this immunity in the plan of the convention, it will

remain with the States . . .”<sup>8</sup>

Alexander Hamilton’s fears of federal government overreaching were expressed in the *Federalist Papers*.<sup>9</sup> These historic articles illustrate the tensions between state and federal government that have plagued our nation since its formation. The problem still exists because there is a very fine line between the protection of individual rights and state sovereign immunity, and it becomes difficult to balance these interests. On one hand, the concept of state sovereignty has become a central tenet of federalism.<sup>10</sup> On the other hand, one of the federal government’s historic roles has been to protect against the infringement of individual rights. The Eleventh Amendment immunizes states from suits in federal court, but the states are granted this independence at the expense of the federal government’s ability to enforce basic federal rights.<sup>11</sup> When a state impinges upon an individual’s constitutionally protected rights, enforcement of those rights by the federal government could threaten the sovereign immunity of the state.<sup>12</sup> This is why it is crucial in our federalist system of government to find how to properly balance the power between state and federal governments.

In recent years, the Supreme Court has ruled unfavorably towards Congressional attempts to abrogate state sovereign immunity.<sup>13</sup> For instance, the Court found that a statute allowing an individual to sue a state for monetary damages for violation of an age discrimination law unconstitutional.<sup>14</sup>

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<sup>8</sup> The Federalist Papers No. 81, at 487–88 (A. Hamilton) (C. Rossiter ed. 1961) (emphasis in original).

<sup>9</sup> See *Id.*

<sup>10</sup> *Id.* at 390.

<sup>11</sup> See Erwin Chemerinsky, FEDERAL JURISDICTION, 394 (4d ed. 2003).

<sup>12</sup> See Erwin Chemerinsky, FEDERAL JURISDICTION, 388 (3d ed. 1999).

<sup>13</sup> Starting with *Seminole Tribe*, 517 U.S. 44 (1996), and extending through *Alden v. Maine*, 527 U.S. 706 (1999) and *Kimel v. Fla. Bd. of Regents*, 528 U.S. 62 (2000).

<sup>14</sup> See *Kimel*, 528 U.S. at 66–67.

The Court has ruled similarly in intellectual property cases.<sup>15</sup> Based on these holdings, it seems that the Court is following the line of jurisprudence originally laid out in the early case *Hans v. Louisiana*.<sup>16</sup> In that case, the Court held that a citizen could not sue his own state in federal court, thereby construing the Eleventh Amendment beyond its plain meaning.<sup>17</sup> The Eleventh Amendment reads: “[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.”<sup>18</sup> If the Court were to follow a textual approach in interpreting this amendment then not only would a citizen be able to bring a suit against his own state in federal court, but there would be greater flexibility for Congress to validly abrogate state sovereign immunity in other contexts. However, based on the broad construction the Court gives this amendment, the states have expansive protection from suits against them in federal court, arguably beyond the original intent of Congress.

#### A. *The Ratification of the Eleventh Amendment*

The Eleventh Amendment was enacted in response to *Chisholm v. Georgia*.<sup>19</sup> In that case, a South Carolina citizen sued the state of Georgia to collect on a debt that Georgia had accrued during the Revolutionary War. The Supreme Court granted certiorari to hear that case based on the Judiciary Act of 1789 which gave it original jurisdiction over suits between a state and a citizen of another state.<sup>20</sup> The authority for that act was derived from Article III, section 2, of the Constitution. Edmund Randolph, an opponent of state immunity during the state ratification conventions, represented Chisholm in the

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<sup>15</sup> See *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Edu. Expense Bd.*, 527 U.S. 666 (1999); *Fla. Prepaid Postsecondary Edu. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627 (1999).

<sup>16</sup> *Hans*, 134 U.S. 1.

<sup>17</sup> *Id.* at 18–21.

<sup>18</sup> U.S. Const. amend. XI.

<sup>19</sup> *Chisholm*, 2 U.S. 419.

<sup>20</sup> The Judiciary Act of 1789, ch. 20, 1 Stat. 73 (1789).

suit. The state of Georgia declined to appear, claiming that it was not subject to the suit because it had not waived its immunity.<sup>21</sup> The case seemed to revive the old issues and tensions that arose during the state ratification conventions. These issues, over whether the text of Article III subjects states to suit in federal court, and also whether states should be immune from such suits, was never resolved at that time. Many had opposed ratification of the Constitution because they did not believe states should be brought into the federal courts as defendants.<sup>22</sup> The reason for these strong opinions was probably due to the fact that the states had accumulated large debts during the Revolutionary War, and there was fear that they would be dragged into the federal courts to account for these debts. This fear became a reality in *Chisholm*, and when the Court held that a citizen of one state could sue another state in federal court, the states reacted with hostility.<sup>23</sup> This prompted Congress's proposal of the Eleventh Amendment one month later, and the states' subsequent ratification, thereby preventing further suits against states by citizens of another state in federal court.<sup>24</sup> Congress's quick response shows how important sovereign immunity was to the founders. That hostility towards subjecting states to suit seems to have resonated with the Court until the present day, and may be the reason for the Court's continued expansion of the Eleventh Amendment's meaning.

#### *B. Limitations on the Broad Scope of State Sovereign Immunity*

Despite the narrow text of the amendment, the Court has continued to broaden its scope ever since the 1800's<sup>25</sup> when

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<sup>21</sup> See Chemerinsky, FEDERAL JURISDICTION, note 14 at 399, 400, 401 (3d ed. 1999).

<sup>22</sup> The Debates in the Several States Conventions on the Adoption of the Federal Constitution, 526–527 (Johnathan Elliot ed. 1937).

<sup>23</sup> *Chisholm*, 2 U.S. 419–21.

<sup>24</sup> *Hans v. State of Louisiana*, 134 U.S. 1, 11 (1890).

<sup>25</sup> See *Id.*; *In re State of New York*, 256 U.S. 490 (1921) (holding that states were immune from suits in admiralty); *Principality of Monaco v.*

the *Hans* Court set forth the basic premise that the Eleventh Amendment presumes that states are sovereign entities that cannot be sued in federal court without their consent.<sup>26</sup> In a century's worth of cases reaffirming this broad principle, relief for private citizens with grievance against a state came in the form of the 1908 decision *Ex Parte Young*.<sup>27</sup> *Ex Parte Young* opened the door to remedies for citizens who were harmed by a state action.<sup>28</sup> The Court held that the Eleventh Amendment does not prohibit suits against state officers in federal court for injunctive relief.<sup>29</sup> However, it is questionable whether this alternative is adequate for intellectual property owners whose preference would likely be monetary relief. In 1976, the Court carved out another exception to state sovereign immunity when it held that Congress could abrogate state sovereign immunity through legislation.<sup>30</sup> In the case *Fitzpatrick v. Bitzer*, the Court held that Congress could validly abrogate Eleventh Amendment immunity when acting pursuant to the power granted to it in the Fourteenth Amendment.<sup>31</sup> This clause grants Congress the authority to enforce the substantive provisions of the Fourteenth Amendment through "appropriate legislation".<sup>32</sup> The Court also recognized the ability of Congress to abrogate state immunity when acting pursuant to its Article I powers although that decision would not survive more than sixteen years.<sup>33</sup>

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State of Mississippi, 292 U.S. 313 (1934)(holding that states were immune from suits brought by foreign governments).

<sup>26</sup> *Hans*, 134 U.S. at 13.

<sup>27</sup> *Ex Parte Young*, 209 U.S. 123 (1908).

<sup>28</sup> *Id.* at 159.

<sup>29</sup> *Id.*

<sup>30</sup> *See Fitzpatrick v. Bitzer*, 427 U.S. 445 (1976).

<sup>31</sup> *Id.*

<sup>32</sup> U.S. Const. amend. XIV, §5.

<sup>33</sup> *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989).

## II. RECENT SUPREME COURT DECISIONS LIMITING CONGRESS'S ABILITY TO ABROGATE STATE SOVEREIGN IMMUNITY BY LEGISLATION

### *A. The Establishment of a Two-prong Test under which All Legislative Attempts to Abrogate State Sovereign Immunity Must be Evaluated*

The Rehnquist Court retracted from the exceptions to the doctrine of sovereign immunity that the Court had earlier set forth, thereby slowly shifting the balance more in the states' favor.<sup>34</sup> From these cases a two-prong test has emerged in which the validity of a statute that attempts to abrogate state sovereign immunity is evaluated.<sup>35</sup>

Under the first prong, Congress must unequivocally express its intent to abrogate the state's immunity.<sup>36</sup> This prong requires Congress to write the statute in such a way that its intent to abrogate state sovereign immunity is unmistakably clear.<sup>37</sup> This "clear expression" prong was derived from the 1985 case, *Atascadero State Hospital v. Scanlon*.<sup>38</sup>

The second prong requires that Congress act pursuant to a valid exercise of power.<sup>39</sup> For the statute in question to satisfy this prong Congress must be acting pursuant to a constitutional provision which grants it power so to act.<sup>40</sup> The Court in *Seminole Tribe* held that Congress cannot validly abrogate state sovereign immunity under Article I of the Constitution. In that historic case, the Supreme Court significantly altered the concept of state sovereign immunity. Prior to this decision, the Court, in *Pennsylvania v. Union Gas Company*, had explicitly upheld Congress's ability to

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<sup>34</sup> See *Id.*; *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234 (1985); *City of Boerne v. Flores*, 521 U.S. 507 (1997).

<sup>35</sup> See *Bell Atlantic-Delaware, Inc. v. McMahon*, 80 F.Supp.2d 218 (2000).

<sup>36</sup> *Seminole Tribe v. Florida*, 517 U.S. at 55 (1996).

<sup>37</sup> *Atascadero*, 473 U.S. at 242.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Seminole Tribe*, 517 U.S. at 59.

abrogate sovereign immunity pursuant to the Commerce Clause.<sup>41</sup> The result in *Seminole Tribe* was that Congress is no longer able to abrogate state sovereign immunity pursuant to the Commerce Clause or any other Article I power.<sup>42</sup>

*B. Why the Enforcement Clause is the Only Constitutional Means by Which Congress Can Legislatively Abrogate State Sovereign Immunity*

The Fourteenth Amendment protects citizens from state deprivations and imposes due process requirements on states. Congress, therefore, has the authority under this section to create legislation that allows citizens to sue the state for deprivations that rise to the level of a taking without the due process of law.<sup>43</sup> One of the reasons why the Court decided to allow Congress to abrogate Eleventh Amendment immunity when acting pursuant to the Fourteenth Amendment, but not Article I, is because the Fourteenth Amendment was enacted long after the Eleventh Amendment, as opposed to the Eleventh Amendment, which was enacted after the ratification of Article I. Thus, the Eleventh Amendment actually trumps Article I, but the Fourteenth Amendment trumps the Eleventh.<sup>44</sup> The Court reasoned that since the Fourteenth Amendment was adopted well after the Eleventh Amendment, is clear that the intent was for the Fourteenth Amendment to alter the pre-existing balance of power between state and federal government.<sup>45</sup>

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<sup>41</sup> *Union Gas*, 491 U.S. 1.

<sup>42</sup> *Seminole Tribe v. Florida*, 517 U.S. 44 at 66 (1996) (overruling *Union Gas*, 491 U.S. 1).

<sup>43</sup> See *Alden v. Maine* 527 U.S. 706 (1999).

<sup>44</sup> *Seminole Tribe*, 517 U.S. at 44.

<sup>45</sup> *Id.*

*C. Additional Requirements Set Forth by the Supreme Court that Affect Congress's Ability to Abrogate State Sovereign Immunity Through Legislation*

In addition to the changes made by *Seminole Tribe*, *City of Boerne* also had a significant impact on federalism.<sup>46</sup> This case built upon the concept already stated in *Seminole Tribe*, that Congress can only abrogate through “appropriate legislation.” In *City of Boerne* the Court narrowed the instances where Congress could appropriately pass legislation pursuant to section 5 of the Fourteenth Amendment.<sup>47</sup> It is clear from *City of Boerne* that Congress may only act under section 5 to remedy or prevent an action that violates the Constitution.<sup>48</sup> In addition, to be “appropriate legislation”, the remedies provided must be tailored in a way that is reasonably proportionate to the violation that Congress is seeking to remedy or prevent.<sup>49</sup>

When determining whether a legislative measure that subjects states to suits in federal court is appropriate legislation, it must pass the restrictive test laid out in *City of Boerne*. To pass this test, a set of factors must be considered, starting with defining the scope of the constitutional right sought to be protected.<sup>50</sup> Once the right has been identified, Congress must show a history and pattern of state deprivations or infringements of that right.<sup>51</sup> Finally, the remedies made available in the statute must be proportionate to the identified pattern of violations.<sup>52</sup> If the statute cannot meet the rigors of this test, then Congress will have exceeded the scope of its enforcement powers, and the legislation will be deemed an invalid attempt to abrogate Eleventh Amendment immunity.

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<sup>46</sup> *City of Boerne v. Flores*, 521 U.S. 507 (1997).

<sup>47</sup> *Id.* at 520.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *See, e.g., Board of Trustees of the University of Alabama v. Garrett*, 531 U.S. 356 (2001).

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

*D. The Effects of Seminole Tribe and City of Boerne on Intellectual Property Cases*

The *Seminole Tribe* and *City of Boerne* decisions materially restricted Congress's ability to abrogate states' sovereign immunity, and the impact of these decisions on intellectual property can clearly be seen in the cases which followed. *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*<sup>53</sup> (hereinafter *Florida Prepaid*) and *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*<sup>54</sup> (hereinafter *College Savings Bank*) illustrate how the prior Supreme Court cases have curtailed private persons ability to sue a state in federal court. In *Florida Prepaid*, a private bank, College Savings Bank, received a patent on its unique type of college savings account.<sup>55</sup> The state of Florida put out a similar payment program for college accounts, and the private bank brought a patent infringement suit against the state under the Patent and Plant Variety Protection Remedy Clarification Act (Patent Remedy Act).<sup>56</sup> The Patent Remedy Act subjects states, state officials, officers, and instrumentalities to suit in federal court for patent infringement.<sup>57</sup> The state of Florida sought to dismiss the suit claiming the Act did not validly abrogate state immunity because Congress did not have the constitutional authority to do so.<sup>58</sup> When the issue reached the Supreme Court, the Court used the two-prong test to determine if the state could be subjected to suit.<sup>59</sup> The Court found that the first prong of the test was easily met because Congress had made its intent to subject states to suit in federal court "unmistakably clear in

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<sup>53</sup> Fla. Prepaid Postsecondary Edu. Expense Bd. v. Coll. Sav. Bank, 527 U.S. 627 (1999).

<sup>54</sup> Coll. Sav. Bank v. Fla. Prepaid Postsecondary Edu. Expense Bd., 527 U.S. 666 (1999).

<sup>55</sup> *Florida Prepaid*, 527 U.S. at 630–31.

<sup>56</sup> *Id.* at 632–33.

<sup>57</sup> 35 U.S.C. §§ 271(h), 296(f).

<sup>58</sup> *Florida Prepaid*, 527 U.S. at 633.

<sup>59</sup> *Id.* at 635.

the language of the statute.”<sup>60</sup> Therefore, the Court was left to determine if the Act could meet the second prong of the test, which requires Congress to have the constitutional authority to pass it.<sup>61</sup> Congress had stated three sources of authority for the Act: the Patent Clause, the Commerce Clause, and section 5 of the Fourteenth Amendment.<sup>62</sup> When the Act was passed in 1992, Congress still had the authority to abrogate pursuant to its Article I powers.<sup>63</sup> However, the Court noted that the Act could no longer be justified under either the Patent Clause or Commerce Clause, and could only be upheld if it were “appropriate legislation” pursuant to section 5 of the Fourteenth Amendment.<sup>64</sup> The analytical framework established in *City of Boerne* was used to determine if this was in fact “appropriate legislation.”<sup>65</sup> Under this analysis, the Court first asked whether the Act was seeking to remedy or prevent state violations of Fourteenth Amendment protections.<sup>66</sup> The violation that the Act was seeking to remedy was identified as “unremedied patent infringement by the States.”<sup>67</sup> Therefore, the Act was remedial in nature, however, the Act was not able to pass the final factor of the *City of Boerne* test, which requires congruence and proportionality between the Fourteenth Amendment protections afforded to patent owners and the remedies provided for those violations.<sup>68</sup> Although Congress provided a few examples of patent infringement suits brought against the states, the Court found this evidence inadequate because it did not establish a pattern.<sup>69</sup> The Court reasoned that the remedy was, therefore, not in proportion to the harm.<sup>70</sup> The Court noted that the Act might have survived if it had

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<sup>60</sup> *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234 at 242 (1985).

<sup>61</sup> *Seminole Tribe v. Florida*, 517 U.S. at 55 (1996).

<sup>62</sup> S. Rep. 102-280, 1992 U.S.C.C.A.N. 3087, 3093-94.

<sup>63</sup> *See Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989).

<sup>64</sup> *Florida Prepaid*, 527 U.S. at 637–38 (1999).

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 639.

<sup>67</sup> *Id.* at 640.

<sup>68</sup> *Id.* at 646–47.

<sup>69</sup> *Id.* at 640.

<sup>70</sup> *Id.* at 646–47.

provided a remedy for specific patent violations, such as intentional infringement by the state of a citizen's patent.<sup>71</sup> Therefore, the Patent Remedy Act was held invalid due to the narrow standards set forth in *City of Boerne*. This case also shows the effects that *Seminole Tribe* has had on Congressional ability to validly abrogate state sovereign immunity by legislation. In holding that Congress no longer has constitutional authority to abrogate under its Article I powers, Congress only has one avenue of authority to justify its actions. Furthermore, this case illustrates the tremendous difficulty that Congress will continue to have in trying to enact "appropriate legislation" pursuant to the confined *City of Boerne* test. This case will have lasting effects on patent owners whose patents are infringed by a state. By immunizing states from suit in federal court for patent infringement, the Court has effectively left states unaccountable for these violations in federal court. Effectively, the only option of the patent owner is to bring an injunction action pursuant to *Ex Parte Young* where money damages would not be available.

Similar ramifications of the major Rehnquist Court decisions affecting sovereign immunity can be seen in *College Savings Bank*, the companion case of *Florida Prepaid*. This case put into issue the validity of the Trademark Remedy Clarification Act's<sup>72</sup> (TRCA) attempt to permit suit against a state for false advertising claims that it made about its own product.<sup>73</sup> The state of Florida challenged Congress's attempt at abrogation, arguing that the Act was enacted pursuant to the Commerce Clause, which is no longer grants Congress the authority to abrogate state sovereign immunity.<sup>74</sup> *College Savings Bank* defended the validity of the Act, arguing that Congress also acted pursuant to section 5 of the Fourteenth Amendment when enacting the

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<sup>71</sup> *Id.*

<sup>72</sup> Pub. L. No. 102-542, 106 Stat. 3567 (1992) (codified as amended at 15 U.S.C., §§ 1114(1), 1122, 1125(a), 1127 (2000)).

<sup>73</sup> *College Savings Bank v. Fla. Prepaid Postsecondary Edu. Expense Bd.*, 527 U.S. 668, 669 (1999).

<sup>74</sup> *Id.* at 671-72.

legislation.<sup>75</sup> The Court first determined whether the Act could cross the initial hurdle laid out in *Seminole Tribe*, which requires it be passed in order to enforce a right protected in section 1 of the Fourteenth Amendment. *College Savings Bank* asserted that the Act was enacted to enforce the Due Process Clause of the Fourteenth Amendment because it sought “to remedy and prevent” state deprivation of two property rights: “(1) a right to be free from a business competitor’s false advertising about its own product, and (2) a more generalized right to be secure in one’s business interest.”<sup>76</sup> The Court disagreed with the plaintiff’s argument, and found that the false advertising provision of the Lanham Act did not grant any “property” interest in the traditional sense of the word.<sup>77</sup> Traditionally, the Court noted, a property right exists where there is a right to exclude.<sup>78</sup> The Court reasoned that when a claim is brought against someone for the misrepresentations that it made about its own product, this does not confer on the claimant any right to exclude.<sup>79</sup> In other words, the “activity of doing business” is not property for purposes of the Due Process Clause.<sup>80</sup>

From these cases, one can conclude that if the Court reviews the TRCA’s attempt to subject states to suits in federal court for trademark infringement, it will go through the same analytical framework that it did in *College Savings* and *Florida Prepaid*.

### **III. ANALYSIS OF THE CONSTITUTIONAL VALIDITY OF THE TRADEMARK REMEDY CLARIFICATION ACT’S ATTEMPT TO SUBJECT STATES TO SUITS IN FEDERAL COURT FOR TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT**

The Lanham Act is the federal trademark statute whose main purpose is to protect consumers from confusion as to

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<sup>75</sup> *Id.* at 671.

<sup>76</sup> *College Savings Bank*, 527 U.S. at 672.

<sup>77</sup> *Id.* at 672–73.

<sup>78</sup> *Id.* at 672–73.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

the source of goods and services, and it provides civil liability for those who cause such confusion.<sup>81</sup> Such liability, according to the Act, can be imposed upon “[a]ny person.”<sup>82</sup> “Person” is defined in section 45 of the Act to include a “juristic person” which is a broad category covering “a firm, corporation, union, association, other organization capable of suing and being sued in a court of law.”<sup>83</sup> Congress passed the TRCA in 1992 to clarify that it was Congress’s intent that states not be immune from suits brought under the Lanham Act, thereby expressly abrogating state sovereign immunity.<sup>84</sup> The TRCA amended the definition of “person” to include “any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity.”<sup>85</sup>

The express abrogation language in the TRCA arose in response to a line of cases beginning with *Atascadero State Hospital v. Scanlon*.<sup>86</sup> In *Atascadero* the issue before the Court was whether, under the Rehabilitation Act of 1973, a citizen could bring a suit against a state in federal court where he was seeking retroactive monetary relief under the Act.<sup>87</sup> The Court found that such suits against states in federal court were barred by the Eleventh Amendment because the Act did not clearly and unequivocally express Congress’s intent to abrogate states’ sovereign immunity.<sup>88</sup> Based on that holding, Congress could validly abrogate states’ Eleventh Amendment immunity so long as it made its intent clear in the language of the statute. The Federal Circuit followed this premise when it decided *Chew v. California*.<sup>89</sup> In that case, the court found that states were immune from suits brought in federal court for patent infringement because the amendments to the Patent Act did not contain a clear expression of

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<sup>81</sup> 15 U.S.C. §§ 1114(1), 1125(a)(1)(A).

<sup>82</sup> *Id.*

<sup>83</sup> *Id.* at § 1127.

<sup>84</sup> Pub. L. No. 102-542 §1.

<sup>85</sup> 15 U.S.C. § 1127.

<sup>86</sup> *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234 (1985).

<sup>87</sup> *Id.* at 235.

<sup>88</sup> *Id.* at 241–47.

<sup>89</sup> *Chew v. California*, 893 F.2d 331 (Fed. Cir. 1990).

Congressional intent to abrogate state sovereign immunity.<sup>90</sup> Following these cases, Congress amended the Lanham Act and the Patent Act to make its intent clear. It did so under the authority of *Union Gas Company*, which held that sovereign immunity is a judicially created doctrine, which Congress may supersede by a clear expression of its intent to do so.<sup>91</sup> In order to fulfill the “clear statement” requirement, the TRCA amended the Lanham Act by providing that states “shall not be immune, under the eleventh amendment . . . from suit in federal court by any person . . . for any violation of this Act . . .”<sup>92</sup> Thus, the TRCA clearly subjects states to suits brought under sections 32 and 43(a) of the Lanham Act for federal and state trademark infringement.

Trademarks are protected under state and federal law, which operate concurrently. The federal law that governs trademarks is the Lanham Act.<sup>93</sup> The Lanham Act codifies common law protection for trademark rights and provides protection for those rights at the federal level.<sup>94</sup> This means that the Act protects both federally registered and unregistered marks against another person’s use of a confusingly similar mark in commerce.<sup>95</sup> Section 43(a) of the Lanham Act provides a federal cause of action against any one who uses a mark in connection with any goods or services in interstate commerce that is likely to cause confusion, mistake, or to deceive.<sup>96</sup> Section 32 provides the same protection to the owners of federally registered marks.<sup>97</sup>

Turning to the two-prong test, the TRCA easily passes the first prong by expressly stating its abrogation intent. Therefore, the real issue, when it comes to attempts to bring a suit against a state in federal court for violations of sections

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<sup>90</sup> *Chew*, 893 F.2d at 334; *See* 35 U.S.C. § 271(a) (2000).

<sup>91</sup> *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 1–5 (1989).

<sup>92</sup> Trademark Remedy Clarification Act of 1946 Pub. L. No. 102-542 § 3.

<sup>93</sup> Trademark (Lanham) Act of 1946, 15 U.S.C.A. §§ 1051–1129.

<sup>94</sup> *Id.* at § 1125(a) (protection of unregistered marks); *Id.* at § 1114(1) (protection of federally registered marks).

<sup>95</sup> *Id.*

<sup>96</sup> *Id.* at § 1125(a)(1)(A).

<sup>97</sup> *Id.* at § 1114(1)(a).

32 and 43(a) of the Lanham Act, is whether Congress had the constitutional authority to subject states to such suit in federal court for money damages. Congress rested its authority for the abrogation on the powers given to it in Article I, specifically the Commerce Clause, and its power to enforce the substantive provisions of the Fourteenth Amendment.<sup>98</sup> The Lanham Act itself was derived from the Commerce Clause.<sup>99</sup> Of course, it was not until 1996 that the Court overruled *Union Gas Company in Seminole Tribe*.<sup>100</sup> Therefore, under the precedent established in *Seminole Tribe*, Article I powers cannot be the sole basis for abrogation. This means that the TRCA can only subject states to suit in federal court if it is “appropriate legislation” under section 5 of the Fourteenth Amendment. *City of Boerne* has defined “appropriate legislation” as legislation that seeks to remedy or prevent violations of a substantive provision of the Fourteenth Amendment, and does so in a way in which the remedy is in proportion to the harm or injury.<sup>101</sup>

In order to fulfill the “appropriate legislation” test set forth in *City of Boerne* three factors must be met. First, there must be a constitutional right at issue that is protected by section 1 of the Fourteenth Amendment. Section 1 provides, in relevant part: “. . . nor shall any State deprive any person of life, liberty, or property, without due process of law . . .” Accordingly, the TRCA must be seeking to protect either a life, liberty, or property right for purposes of the due process clause to be meet this initial hurdle. In the context of trademarks, the only section 1 right that could apply is the right of property. Therefore, a trademark must be deemed “property” for purposes of the due process clause or Congress will not have the authority to protect it under the Fourteenth Amendment. Second, under the *City of Boerne* “appropriate legislation” test, the TRCA must seek to remedy or prevent state violations of the constitutional right of property. To do

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<sup>98</sup> See S. Rep. No. 280, 102d Cong., 2d Sess. 8 (1992), as reprinted in 1992 U.S.C.C.A.N. 3087, 3088, 3094.

<sup>99</sup> John T. Cross, Intellectual Property and the Eleventh Amendment After *Seminole Tribe*, 47 DEPAUL L. REV. 519, 526 (1998).

<sup>100</sup> *Seminole Tribe*, 517 U.S. at 72–73.

<sup>101</sup> *City of Boerne*, 521 U.S. at 520, 536.

so, there must be evidence of a pattern of trademark infringement by the states or evidence that the states do not provide adequate state remedies to those who fall victim of such infringement. Finally, even if a pattern of trademark infringement by the states is found, there must be “congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end.”<sup>102</sup>

*A. Is a Trademark “Property” for Purposes of the Due Process Clause?*

Section 5 of the Fourteenth Amendment gives Congress the power to enforce the due process clause of the Fourteenth Amendment.<sup>103</sup> The due process clause is violated when there is a deprivation of life, liberty, or property without due process of law.<sup>104</sup> When assessing the validity of the TRCA, the interests that the Lanham Act’s trademark infringement provisions seek to protect must be found to be the type of “property” interest which is protected by the due process clause. If there are no property rights which are protected by the due process clause, then Congress has no constitutional authority to abrogate.

As already noted, in *College Savings Bank* the Court found Congress’s attempt to abrogate state sovereign immunity under section 43(a)(1)(A) unconstitutional when it comes to false advertising claims where the misleading statement is about the defendant’s own product. The Court concluded that Congress lacked authority to abrogate pursuant to section 5 of the Fourteenth Amendment because the interests protected by the false advertising claim did not amount to a property right which is protected by the Fourteenth Amendment.<sup>105</sup> This was because the false advertising claim did not give its owner any right to exclude.<sup>106</sup> On the other hand, the Court noted that “[t]he

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<sup>102</sup> *Id.* at 520.

<sup>103</sup> U.S. Const. amend. XIV, § 5.

<sup>104</sup> *Florida Prepaid*, 527 U.S. at 639.

<sup>105</sup> *College Sav. Bank*, 527 U.S. at 672–73.

<sup>106</sup> *Id.*

Lanham Act may well contain provisions that protect constitutionally cognizable property interests--notably, its provisions dealing with infringement of trademarks, which are the 'property' of the owner because he can exclude others from using them."<sup>107</sup> Where the former is not protected by the Fourteenth Amendment, the latter is. The Court's decision in *College Savings* leaves open the question of what rights embodied in the Lanham Act could be characterized as constitutionally protected property that are subject to section 5 legislation.

The owner of property is traditionally given the right to restrict and grant access to her property: in other words, the owner of property has the exclusive rights of control and possession of that property.<sup>108</sup> For instance, when it comes to real property, an owner has the right exclude others from entering the property.<sup>109</sup> Intellectual property rights provide their owners with the same rights to exclude as real property owners. Patent owners, for example, are granted the exclusive right to make, use, or sell their patented design, products, processes, etc.<sup>110</sup> Unlike traditional forms of property, a trademark is created by the mental impression it gives its customers.<sup>111</sup> Since the value of the trademark is created by mental association the mark makes in the minds of its consumers,<sup>112</sup> when a third person uses the same or confusingly similar mark, the association that has been built up in the consumer's minds can begin to deteriorate.<sup>113</sup> Therefore, the property interest protected by the trademark is not the trademark itself but rather the mental association, and the owner has a right to protect that mental association from deteriorating. If confusion is likely to occur in the minds of the consumer due to a third party's actions (use in a similar

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<sup>107</sup> *Id.* at 673.

<sup>108</sup> *See* Phillips v. Wash. Legal Found., 524 U.S. 156, 167–68 (1998).

<sup>109</sup> *See* Kaiser Aetna v. United States, 444 U.S. 164 (1979).

<sup>110</sup> *See* 35 U.S.C. § 271(a) (1994).

<sup>111</sup> *Id.*

<sup>112</sup> *See* 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:14 (4th ed.).

<sup>113</sup> *See* Tri-Star Pictures, Inc. v. Leisure Time Prod., 17 F.3d 38, 43 (2d Cir. 1994).

market of the same or similar mark), then those actions can be prohibited by the mark owner because he has a right to exclude such harmful uses which affect the mental association that has been built up in the mark.

The difference between trademarks and patents is pretty clear. The latter gives its owner a right to prohibit another from making use of her invention or original fixed work, whereas the former gives its owner an exclusive right to use the mark as a brand identifier. The Court in *Florida Prepaid* recognized patents as a form of property that requires constitutional protection.<sup>114</sup> When a state intentionally infringes a patent, the owner is deprived of a property interest of the type protected by the due process clause.<sup>115</sup> To determine if a patent is property under the Fourteenth Amendment the Court looked at how patents have traditionally been viewed by courts.<sup>116</sup> They noted that patents “have long been considered a species of property.”<sup>117</sup> We can conclude based on the Court’s analysis in *Florida Prepaid*, that the Court will place great weight on how the interest in question has been treated by courts in the past, and whether there are any recognizable traits of that interest that can be reconciled with the traditional rights given to property owners.

The Court has recognized that, “[t]rademark law. . . confers private rights, which are themselves rights of exclusion.”<sup>118</sup> The trademark owner’s right to exclude is illustrated by the Court’s treatment of the term “Olympic.” In 1987, the Court upheld Congress’s legislation giving the United States Olympic Committee exclusive rights to use the term “Olympic.”<sup>119</sup> In the case before the Court, the Court found that the term “Olympic” was the property of the Committee, and so it could exclude others from using it

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<sup>114</sup> *Florida Prepaid*, 527 U.S. at 642.

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

<sup>117</sup> *Id.*

<sup>118</sup> *K-Mart Corp. v. Cartier, Inc.*, 485 U.S. 176 (1988).

<sup>119</sup> *San Francisco Arts & Athletic, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522 (1987).

without their permission.<sup>120</sup> Although, there is an important distinction between an infringement suit brought by most trademark owners and one initiated by the Olympic Committee, because the latter's right to exclude was created by statute, but this does not mean that other trademark owners do not have a similar right to exclude. Rather, the trademark owner just has a narrower right to exclude. He may only prevent others from using a mark which is confusingly similar to his and is sold in the same or similar market. The Olympic Committee can prevent anyone from using the mark irrespective of confusing similarity of the marks. This distinction is insignificant; either way a trademark owner has some rights to exclude. The only one who has the right to prevent consumer confusion is the owner of the trademark. This is the trademark owner's exclusive right because consumers who are confused over similar marks do not have a right to bring suit under the Lanham Act.<sup>121</sup>

*College Savings Bank* suggests that two things are needed for claims under section 43(a) of the Lanham Act to be considered property. First, the claim must implicate the public's right not to be confused and, second, the plaintiff's right to control the reputation of his product. These are the two interests that the courts have recognized as property.<sup>122</sup>

Both of these rights would be implicated in a trademark infringement suit. Not only is there a risk of consumer confusion, but also a risk that the good will plaintiff has built up for his product will be diminished or destroyed. As stated by the Second Circuit, "[t]he owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to competitors through their use of misleading marks."<sup>123</sup> It would seem to follow that if an

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<sup>120</sup> *Id.* at 535–37.

<sup>121</sup> See *Serbin v. Ziebart Int'l Corp.*, 11 F.3d 1163 (3d Cir 1993); *Waits v. Frito Lay, Inc.*, 978 F.2d 1093 (9th Cir 1992); *Frisch's Rests., Inc. v. Elby's Big Boy Steubenville, Ohio*, 849 F.2d 1012 (6th Cir 1988).

<sup>122</sup> See *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976).

<sup>123</sup> *Power Test Petroleum Distrib. v. Calcu Gas*, 754 F.2d 91 (2d Cir. 1985).

individual trademark owner brought suit against a state for trademark infringement, then the owner of the mark would be able to meet the first hurdle of the *City of Boerne* test because the interests that the TRCA seeks to protect in an infringement suit are property interests that qualify for protection under the due process clause.

*B. Is There Any Pattern or History of  
Constitutional Violations that Congress was  
Seeking to Remedy or Prevent?*

If the Act passes the threshold questions of whether Congress has identified a violation of a substantive provision of the Fourteenth Amendment, the Court must next determine if the provisions of the Act are remedial or preventative in nature.<sup>124</sup> According to Justice Scalia, “as a logical matter . . . not everything which protects property interests is designed to remedy or prevent deprivations of those property interests.”<sup>125</sup> The Court never reached this issue in *College Savings Bank*, because in the false advertising issue before the Court, there was no property interest that could be protected by section 5 of the Fourteenth Amendment, so the Act was not able to pass the initial hurdle of the *City of Boerne* test. However, from the opinion in *Florida Prepaid*, we can conclude that the Court requires Congress to identify a pattern or history of state violations which it is seeking to remedy or prevent in the record.<sup>126</sup> This logic stems from *City of Boerne*, which held that in order for Congress to rectify constitutional violations, it must establish a record.<sup>127</sup> And, even if these violations are identified, they have to amount to violations of a constitutionally protected right.<sup>128</sup> Which means that the deprivation of a constitutionally protected property interest is not enough for the Fourteenth Amendment to kick in; there must also be a denial of due

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<sup>124</sup> *Florida Prepaid*, 527 U.S. at 639.

<sup>125</sup> *College Savings Bank*, 527 U.S. at 674.

<sup>126</sup> *Florida Prepaid*, 527 U.S. at 641.

<sup>127</sup> *City of Boerne*, 521 U.S. at 533.

<sup>128</sup> *Florida Prepaid*, 527 U.S. at 643–46.

process of law that Congress seeks to redress.<sup>129</sup> Below, the TRCA will be evaluated to determine if it identifies any pattern or history of trademark infringement by the states, and also whether the state remedies available for such infringements meet the adequacy test.

In turning to the first question, did Congress identify a pattern or history of state constitutional violations in trademark cases, the identified violations must amount to more than a few instances of state constitutional violations, and the identified violations must be actual, not hypothetical or theoretical. Neither the Patent Remedy Clarification Act nor the Copyright Remedy Clarification Act were able to illustrate such a pattern of infringement that the courts were looking for.<sup>130</sup> For instance, in *Chavez*, the court found that the few instances of state copyright infringement did not amount to a pattern.<sup>131</sup> At the House Hearings for the Patent Remedy Act it was admitted that the legislation was passed as a “philosophical matter”.<sup>132</sup> The legislative record for the TRCA does not specifically state any actual incidents of state intellectual property violations, and the Senate Report does not give even one example of trademark infringements by the states. The only evidence that could be presented to the Court is a study conducted by the General Accounting Office (GAO). This study found that a state has been sued in state and federal court for intellectual property violations only fifty-eight times since 1985.<sup>133</sup> This number of violations covering all types of intellectual property over a course of fifteen years would probably not amount to a pattern in the Court’s eyes sufficient to support the validity of the TRCA’s

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<sup>129</sup> *Id.*

<sup>130</sup> *See Chavez v. Arte Publico Press*, 204 F.3d 601, 606 (5th Cir. 2000); *See id.* at 604.

<sup>131</sup> *Chavez*, 204 F.3d at 606.

<sup>132</sup> Patent Remedy Clarification Act: Hearing on H.R. 3886 Before the Subcomm. On Courts, Intellectual Property, and the Administration of Justice of the House Comm. on the Judiciary, 101<sup>st</sup> Cong. 22, 22(1990). (statement of Jeffery Samuels, Acting Commissioner of Patents and Trademarks).

<sup>133</sup> U.S. Gen. Accounting Office, *Intellectual Property: State Immunity in Infringement Actions 2* (Sept. 2001).

attempt to subject states to suit in federal court for trademark infringement. However, one might question whether this showing of a pattern or history of trademark infringements by the state could ever be proven. It is possible that there are more instances of trademark infringement by states occurring yet the studies would not capture such a pattern because they are only looking towards actual suits being brought against the states for these violations. However, one might argue that a prudent attorney would not bring a suit against a state for such violations due to the doctrine of sovereign immunity. A similar issue was identified by Mr. James Rogan, Director of the United States Patent and Trademark Office, in noting that the GAO study might be flawed due to the fact that state universities and state attorney generals often handle infringement accusations by administrative procedures, and so those accusations would be unaccounted for.<sup>134</sup> This is probably something the Court should take into account when considering this factor of the test.

As the TRCA now stands, there is clearly an absence of any “record” of trademark infringement by the states. In addition, even if the Court did look past the four corners of the record, there still is a lack of evidence of any pattern or history of these violations. Congress cannot seek to remedy a violation that does not exist. Therefore, the Court would probably find that the TRCA, although intended to remedy and prevent state violations under the Lanham Act, does not actually remedy or prevent anything, because no such violations exist. However, if the Court were to find that such a pattern does exist, this is not the end of the inquiry. The next question is whether there are available state remedies in place that are adequate under the due process clause. A deprivation of property is not enough to constitute a constitutional violation; there must also be a denial of due process of the law.<sup>135</sup>

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<sup>134</sup> Sovereign Immunity and the Protection of Intellectual Property: Hearing on S.1611 Before the Senate Comm. On the Judiciary, 107<sup>th</sup> Cong. 6 (2002) (statement of James Rogan, Undersecretary of Commerce for Intellectual Property and Director, United States Patent and Trademark Office).

<sup>135</sup> *Parratt v. Taylor*, 451 U.S. 527, 537 (1981).

The Court will recognize a due process violation where a state provides inadequate remedies to those injured by its conduct.<sup>136</sup> In *Florida Prepaid* the Court followed this reasoning when it held there to be no constitutional violation if a state has provided adequate remedies to those it has harmed.<sup>137</sup> They found that when it comes to state patent infringement cases, a state only violates the due process clause where the state does not provide an adequate remedy to the affected patent holders.<sup>138</sup> One of the reasons that the Patent Remedy Act failed in *Florida Prepaid* was because Congress did not fully discuss state remedies available to patent owners.<sup>139</sup> Also, the Senate Report did not make any mention of what state remedies were available for patent violations, and the House Report only discussed a few.<sup>140</sup> Some examples of remedies that states may have in place include: a general waiver of sovereign immunity for suits brought in state court for those harmed to recover damages in tort,<sup>141</sup> inverse condemnation actions against the state for just compensation,<sup>142</sup> and common law remedies for unfair competition torts.<sup>143</sup>

According to the legislative history, Congress adopted the TRCA in order to, “rectify the inherent inequity plaguing the area of trademark protection.”<sup>144</sup> Congress noted that state court trademark remedies were inadequate compared to the federal remedies available.<sup>145</sup> However, they did not cite any specific examples of such inadequacies. This blanket statement, without any evidentiary support, probably would not hold any weight with the Court when evaluating this factor. Case law suggests that “inadequate,” for due process

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<sup>136</sup> *Florida Prepaid*, 527 U.S. at 643.

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.* at 643–44.

<sup>140</sup> *Id.*

<sup>141</sup> See U.S.Resp.Brief, 1999 WL 164434 (U.S.) (*citing* Fla. Stat. § 768.28(1)).

<sup>142</sup> See *Id.* (*citing* *Klopping v. City of Whittier*, 8 Cal.3d 39 (1972)).

<sup>143</sup> See *Id.* (*citing* *Big Tomato v. Tasty Concepts, Inc.*, 972 F. Supp. 662 (S.D. Fla. 1997)).

<sup>144</sup> S. Rep. No. 102-280, 1992 U.S.C.C.A.N. 3087, 3093.

<sup>145</sup> *Id.*

purposes, basically means that there are no state remedies available for relief of the deprivation.<sup>146</sup> According to the Court, there is no due process violation even if the state does not provide all the same remedies that would be available under the federal law.<sup>147</sup> In addition, there is no right to a particular form of remedy required by the Constitution.<sup>148</sup> Based on these articulations, we could conclude that having some remedy available for the injury in state court means that there are adequate remedies under the due process clause. Given the fact that Congress did not discuss whether there were any remedies available at state law, nor cited any specific reasons why the remedies that were available were inadequate, the legislation would fail to meet the requirements of this factor.

### *C. Do the Means Fit the End?*

The final factor of the *City of Boerne* test requires there be “proportionality between the injury to be prevented or remedied and the means adopted to that end.”<sup>149</sup> In *City of Boerne* the Court held that Congress only has the authority under section 5 of the Fourteenth Amendment to enact legislation that is remedial in nature, and not legislation that would create new rights.<sup>150</sup> The legislation is creating new substantive rights if there is no congruence or proportionality between the identified harm and the means adopted to prevent or remedy that harm.

Section 5 grants Congress the power to enforce the substantive guarantees of the Fourteenth Amendment through prophylactic legislation.<sup>151</sup> This means that the Enforcement Clause gives Congress the power not only to proscribe unconstitutional conduct, but also to create legislation that is

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<sup>146</sup> See *Parratt*, 451 U.S. 527 (1981); See *Gibbes v. Zimmerman*, 290 U.S. 326 (1933).

<sup>147</sup> *Parratt*, 451 U.S. at 543–44.

<sup>148</sup> *Gibbes*, 290 U.S. at 332.

<sup>149</sup> *City of Boerne*, 521 U.S. at 519–20.

<sup>150</sup> *Id.* at 519.

<sup>151</sup> *Hibbs*, 538 U.S. at 727–28.

aimed at remedying and/or preventing such conduct.<sup>152</sup> However, the Court made clear in *City of Boerne* that it is the Court's job to define constitutional rights, not Congress's.<sup>153</sup> Therefore, if the legislation grants greater guarantees than those found in section 1 of the Fourteenth Amendment, then it must be aimed at remedying or preventing identified constitutional violations rather than expanding the definition of the substantive guaranties of the Fourteenth Amendment. The test for determining whether the statute is proper prophylactic legislation or if it redefines the substantive provisions of the Fourteenth Amendment, is whether there is congruence and proportionality between the constitutional violations sought to be remedied or prevented and the means to meeting that end.<sup>154</sup>

The Patent Remedy Act failed under this factor because there was no pattern or history of deprivation of the identified harm, thus, the remedy was not in proportion to the perceived harm.<sup>155</sup> In other words, to the broad scope of violations that the Act subjected states to suit in federal court was not in proportion to the limited number of constitutional violations in patent cases overall. This legislation went too far. Aside from *Florida Prepaid*, there are other cases that have not been able to pass this final factor. In *Kimel v. Florida Board of Regents*,<sup>156</sup> the Age Discrimination in Employment Act's (ADEA) attempt to abrogate state sovereign immunity was found unconstitutional because it failed this prong of the test.<sup>157</sup> The Court found that Congress did not have a good enough reason to believe that states were discriminating against their employees on the basis of their age.<sup>158</sup> Because of this "lack of evidence of widespread age discrimination," the remedies were not in not in proportion to the harm.<sup>159</sup> The Americans with Disabilities Act (ADA) also failed the

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<sup>152</sup> *Id.*

<sup>153</sup> *City of Boerne*, 521 U.S. at 519–24.

<sup>154</sup> *Hibbs*, 538 U.S. at 728.

<sup>155</sup> *Florida Prepaid*, 527 U.S. at 645–47.

<sup>156</sup> *Kimel*, 528 U.S. 62 (2000).

<sup>157</sup> *Id.* at 82–83.

<sup>158</sup> *Id.* at 91.

<sup>159</sup> *Id.*

congruence and proportionality test in *Board of Trustees of the University of Alabama v. Garrett*.<sup>160</sup> The Court found that Congress's attempt to subject states to suit in federal court for damages under the ADA was invalid since there was no pattern of state discrimination that violated the Fourteenth Amendment.<sup>161</sup> As such, there was no congruence between the remedy and constitutional violations.<sup>162</sup> These cases suggest that any Act to be analyzed under the *City of Boerne* test next is likely to fail this prong.

Legislation passed under section 5 would avoid overbreadth if it does not extend beyond instances of identified constitutional violations. *South Carolina v. Katzenbach*<sup>163</sup> illustrates a prime example of perfectly tailored remedial legislation. In that case, the constitutional validity of certain provisions of the Voting Rights Act of 1965 were in issue.<sup>164</sup> These provisions were upheld because they were narrowly confined to apply only to regions of the country where the worst incidents of voting discrimination had occurred.<sup>165</sup> The courts have tried to illustrate how to tailor legislation in order to meet this factor. When a statute has been found to be overly-broad, the courts have made suggestions to illustrate what Congress could have done to make the statute be constitutional. The Fifth Circuit, when reviewing the Copyright Remedy Clarification Act, suggested that the Act would not have run afoul of *the City of Boerne* restrictions if it had narrowed its scope to a specific violation, such as allowing suits against a state if the state does not provide adequate remedies for their infringing acts.<sup>166</sup> The Court in *Florida Prepaid* made similar suggestions, such as limiting the Act to intentional patent infringements by the state.<sup>167</sup> These suggestions provide useful comparisons between legislation the court will find constitutional and

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<sup>160</sup> *Garrett*, 531 U.S. 356 at 374.

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *South Carolina v. Katzenbach*, 383 U.S. 301 (1966).

<sup>164</sup> *Id.* at 307.

<sup>165</sup> *Id.* at 328–29.

<sup>166</sup> *Chavez*, 204 F.3d at 608.

<sup>167</sup> *Florida Prepaid*, 527 U.S. at 645.

legislation it will strike down for going too far. If the legislation at issue reaches cases where no due process violations exist, then the provisions are overly broad.<sup>168</sup>

For the TRCA to be valid, the unconstitutional deprivations of property rights in trademark infringement cases must be in proportion to the scope of suits in which the TRCA would abrogate state sovereign immunity. This factor of the test goes hand in hand with the prior one. Congress must tailor legislation so that the remedy directly responds to the identified pattern or history of constitutional violations. The legislation would fail this prong automatically if there is no such pattern. In effect, Congress is creating a new remedy for violations of the Fourteenth Amendment, which is exactly what *City of Boerne* prohibits. In *City of Boerne*, the Court examined the Religious Freedom Restoration Act (RFRA), which was enacted to limit the government's ability to interfere with certain religious practices.<sup>169</sup> In that case, even though the RFCA remedied some constitutional violations, its scope reached beyond the religious practices covered by the Constitution and, therefore, did not meet the congruence and proportionality test.<sup>170</sup> This shows that even if the TRCA remedies some constitutional violations, such as intentional trademark infringements, it would still be deemed invalid legislation because its scope goes beyond those instances, and applies to all Lanham Act violations.

The language of the TRCA should be confined to abrogate state immunity only in cases where there is an actual deprivation of property without due process of law. As it is currently written, the TRCA abrogates immunity in all trademark cases, which goes beyond what is necessary to enforce the provisions of the due process clause. If the validity of the TRCA were examined again, this time in the case of a trademark infringement claim rather than a false advertising claim, the Court would probably come to the same conclusion that it did in *Florida Prepaid*, that Congress

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<sup>168</sup> *Id.* at 643.

<sup>169</sup> See Religious Freedom Restoration Act of 1993, 42 U.S.C. § 2000bb (1994).

<sup>170</sup> *City of Boerne*, 521 U.S. at 519–20.

has exceeded its section 5 authority.

To be deemed valid, the TRCA would have to be narrowly tailored to apply only to certain types of trademark infringement cases or provide for suits only against states that have inadequate remedies or a high incident of infringement. The TRCA subjects all states to suit in federal court even though the legislative record does not point to any state violations which it is seeking to remedy or prevent. For this reason, the Act is overly-broad and not narrowly tailored to the harm. There is no congruence or proportionality between the injury Congress was trying to remedy and the means adopted to that end, therefore, the TRCA would not pass this final prong of the *City of Boerne* test.

## V. CONCLUSION

There are two things that can be learned from this paper. First, the analytical framework developed by the Court in *City of Boerne* is a stringent test that has considerably narrowed Congress's ability to abrogate state's Eleventh Amendment immunity through legislation. Second, only half of the battle was won when Congress enacted the Trademark Remedy Clarification Act. Although it met the new requirements the Court placed on legislative efforts in *Atascadero*, it is not able to meet the requirements that were later set forth in *Seminole Tribe*. The Rehnquist Court's holdings indicate the Court's active pursuit of state's rights. These decisions have interpreted the Fourteenth Amendment very narrowly. Under this line of reasoning the TRCA would fail again if it were to be evaluated.

The United States government is structured in such a way so that power is divided up between the state and federal government.<sup>171</sup> However, there are times when these two powers collide, and the Court is left to decipher how to balance these powers. It seems obvious that the Court would attempt to place the balance of power as close to the center as possible. However, the Court's holdings in cases dealing with state sovereign immunity have largely been tipped in the

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<sup>171</sup> See U.S. Const. amend. X.

states' favor. This is evident not only in recent cases, but from early on the Court has broadly construed the language of the Eleventh Amendment, thus giving states the upper hand.<sup>172</sup> However, after *City of Boerne*, it is clear that the balance of power is now farther to the state side than ever before. In trying to keep with the *City of Boerne* rationale, the Court has, in effect, narrowed the rights protected by the Fourteenth Amendment.<sup>173</sup>

The effect of the broad reading of the Eleventh Amendment, and narrow reading of the Fourteenth Amendment, is that Congress is left with little ability to abrogate state sovereign immunity without being accused of substantively redefining the Fourteenth Amendment.<sup>174</sup> The real effects of these holdings are seen when they are applied to a specific legislative attempt to abrogate state sovereign immunity. When it comes to the TRCA, the effects are clear. Even a legislative effort that seeks to protect a federally protected interest against state government infringement cannot survive the *City of Boerne* test.

A trademark owner is given the right to exclude another's use of a confusingly similar mark that would cause the mental association that it has built up in its customers' minds to deteriorate. This right would probably qualify as a property right under the due process clause. Possibly the analysis should end there, but it does not. The TRCA would fail in the same way that the Patent Remedy Act failed when it came to patent infringement suits—because the legislative record lacks enough evidence of state infringements to qualify as a pattern or history.<sup>175</sup> As I suggested earlier, this fatal flaw might not be because such violations are non-existent, but because these violations are just not reported and because trademark owners are not willing to bring suits against a state given the Court's current sovereign immunity jurisprudence. Since there are not

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<sup>172</sup> See *Hans*, 134 U.S. 1 (1890).

<sup>173</sup> See *College Savings*, 527 U.S. 666 (1999); See *Kimel*, 528 U.S. 62 (2000); See *Garrett*, 531 U.S. 356 (2001).

<sup>174</sup> *City of Boerne*, 521 U.S. at 519–24.

<sup>175</sup> *Florida Prepaid*, 527 U.S. at 646–47.

any identified violations in the record, the remedy is seen as disproportionate because one cannot remedy where there is no violation. That being said, if a state was sued in federal court for trademark infringement under the Lanham Act, the case would probably be dismissed and the TRCA's attempt to abrogate in this area would be struck down in the same way it was struck down in *College Savings Bank*.