

Can You Sue "the State" For Patent Infringement?

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Can a patentee sue a State of the United States for patent infringement under federal law? Under current Supreme Court law, no, unless the State has waived its sovereign immunity.

Under the U.S. Constitution and its amendments, States of the United States have sovereign immunity to suit. Only if a State waives its sovereign immunity to suit, can it be sued under federal law. Congress tried to abrogate the States' sovereign immunity to suit for patent infringement in the 1990s. The Supreme Court overruled that attempt in Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank, stating that:

In 1992, Congress amended the patent laws and expressly abrogated the States' sovereign immunity from claims of patent infringement. Respondent College Savings then sued the State of Florida for patent infringement, and the Court of Appeals held that Congress had validly abrogated the State's sovereign immunity from infringement suits pursuant to its authority under § 5 of the Fourteenth Amendment. We hold that, under City of Boerne v. Flores, 521 U.S. 507, 138 L. Ed. 2d 624, 117 S. Ct. 2157 (1997), the statute cannot be sustained as legislation enacted to enforce the guarantees of the Fourteenth Amendment's Due Process Clause, and accordingly reverse the decision of the Court of Appeals. ***

The historical record and the scope of coverage therefore make it clear that the Patent Remedy Act cannot be sustained under § 5 of the Fourteenth Amendment. The examples of States avoiding liability for patent infringement by pleading sovereign immunity in a federal-court patent action are scarce enough, but any plausible argument that such action on the part of the State deprived patentees of property and left them without a remedy under state law is scarcer still. The statute's apparent and more basic aims were to provide a uniform remedy for patent infringement and to place States on the same footing as private parties under that regime.¹¹ These are proper Article I concerns, but that Article does not give Congress the power to enact such legislation after Seminole Tribe.

¹¹ See 35 U.S.C. § 271(h) (stating that States and state entities "shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity"); see also H. R. Rep., at 40 ("The Committee believes that the full panoply of remedies provided in the patent law should be available to patentees whose legitimate rights have been infringed by States or State entities"); S. Rep., at 14. Thus, contrary to the dissent's intimation, see post, at 16, the Patent Remedy Act does not put States in the same position as the United States. Under the Patent Remedy Act, States are subject to all the remedies available to plaintiffs in infringement actions, which include punitive damages and attorney's fees, see 35 U.S.C. §§ 284, 285, as well as injunctive relief, see § 283. In waiving its own immunity from patent infringement actions in 28 U.S.C. § 1498(a) (1994 ed. and Supp. III), however, the United States did not consent to either treble damages or injunctive relief, and allowed reasonable attorney's fees only in a narrow class of specified instances. [Florida Prepaid

Postsecondary Education Expense Board v. College Savings Bank, 527 U.S. 627; 119 S. Ct. 2199; 144 L. Ed. 2d 575; 1999 U.S. LEXIS 4376; 67 U.S.L.W. 4580; 51 U.S.P.Q.2D (BNA) 1081; 99 Cal. Daily Op. Service 4945; 99 Daily Journal DAR 6371; 1999 Colo. J. C.A.R. 3688; 12 Fla. L. Weekly Fed. S 458 (1999).]

Is it possible that the Congress could in the future pass a law to abrogate State immunity to patent infringement suit? It is possible. Florida Prepaid was a 5-4 decision. In addition, it left Congress loopholes for subsequent legislation of the same scope by citing in the legislative record a pattern of State abuse of patent rights or enacting a more narrowly tailored law.

Is it possible in any case to sue a State for patent infringement under federal law? If the State has waived its sovereign immunity to patent infringement, yes.

Alternatively, a state may have provided by state statute an alternative remedy for its infringement of a patent. If so, the patentee may sue to obtain that alternative remedy.

In addition, in any case, the patentee may attempt to enjoin the state official infringing the patent. See Applera Corp. v. MJ Research Inc., 311 F. Supp. 2d 293; 2004 U.S. Dist. LEXIS 3837 (D.C.D.CT. 2004)(" It seems clear that a patentee may still restrain a state's patent infringement by suing the responsible state officer for injunctive relief in federal court pursuant to the Ex Parte Young doctrine, see Seminole Tribe of Florida v. Florida, 517 U.S. 44, 72 n.16, 134 L. Ed. 2d 252, 116 S. Ct. 1114 (1996); see also Genentech, Inc. v. Regents of Univ. of Cal., 143 F.3d 1446, 1454 (Fed. Cir. 1998) vacated on other grounds by 527 U.S. 1031, 144 L. Ed. 2d 789, 119 S. Ct. 2388, and, depending on the state, pursue damage remedies for infringement in state court, see Florida Prepaid, 527 U.S. at 642-45 and n.9.")

Finally, keep in mind that sovereign immunity attaches to instrumentalities of the state, like state universities. Therefore, a state university performing infringing research may be immune to suit for patent infringement. Research is generally not immune from suit; it is not immune if it has the slightest commercial implication. Madey v. Duke University, 307 R.3d 1351 (Fed. Cir. 2002). However, a private corporation sponsoring such university research is not immune from suit. Therefore, such a corporation may be sued for inducing the university to infringe. See Syrrix, Inc. v. Oculus Pharms., Inc., 2002 U.S. Dist. LEXIS 14893; 64 USPQ2d 1222 (D.C.D.De 2002)("The Court understands Florida Prepaid to hold that States cannot be sued in federal court for patent infringement because Congress did not have the legislative authority to validly abrogate the States' Eleventh Amendment sovereign immunity with the Patent Remedy Act. The Court does not read Florida Prepaid to hold that States cannot infringe patents or cannot be found to infringe patents in a federal court lawsuit to which the State is not a party. In sum, the Court understands the holding in Florida Prepaid to bar patent infringement lawsuits against States in federal court, but to have no effect on patent litigation between two private parties. n2 Therefore, a jury or a court may find the required direct infringement on the part of a non-party State and/or their instrumentalities upon which to predicate a finding of inducement of infringement against a private party. Therefore, in the instant case, the Court concludes that sovereign immunity under the Eleventh Amendment does not bar the inducement of infringement claim brought by Syrrix against Oculus").

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