

## CHAVEZ V. ARTE PUBLICO PRESS

By Bart W. Wise

*Chavez v. Arte Publico Press* (“*Chavez II*”)<sup>1</sup> represents a collision of federalism with the rights of the individual. In this case, the desire to maintain states’ sovereignty through Eleventh Amendment immunity is at odds with the protection of the individual’s property rights. The question at issue is whether the property guarantee of the Fourteenth Amendment provide a way to pierce the Eleventh Amendment bar on a private copyright infringement suit against an unconsenting state in federal court.

In *Chavez II*, the plaintiff, Denise Chavez, brought suit in federal court against the publishing arm of the University of Houston to enforce her property right in a copyrighted play.<sup>2</sup> The Fifth Circuit held that it lacked jurisdiction over the suit based on immunity provided to the state university by the Eleventh Amendment.<sup>3</sup> The court based this decision primarily on a determination that a property interest in a copyright is not a property right protected by Section 1 of the Fourteenth Amendment.<sup>4</sup> A careful reading of the case, however, exposes a strong underlying policy of deference to states’ rights. This Note contends that the Fifth Circuit did not analyze the property interest in a copyright and instead improperly focused on the protection of state sovereignty. Such an analysis of copyright law would have demonstrated that a copyright is a well-established property interest that, although now a federalized property interest, satisfies the requirements for designation as property under the Fourteenth Amendment.<sup>5</sup>

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1. 157 F.3d 282 (5th Cir. 1998). On October 1, 1998 the Fifth Circuit agreed to rehear the case en banc. See *5th Circuit to Reconsider Issue of State Immunity under Copyright, Lanham Acts*, 7 No. 2 Mealey’s Litig. Rep.: Intell Prop. 7, Oct. 19, 1998.

2. See *Chavez*, 157 F.3d at 284.

3. See *id.* at 291.

4. See *id.* at 289.

5. The issues in *Chavez II* are similar to those in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343, 47 U.S.P.Q.2d 1161 (Fed. Cir. 1998) (holding that a patent is property under the Fourteenth Amendment, thereby allowing use of the Fourteenth Amendment as authority for abrogation of states’ Eleventh Amendment immunity), *cert. granted*, 67 U.S.L.W. 3259 (U.S. Jan. 8, 1999) (No. 98-531).

## I. STATE IMMUNITY AND THE ELEVENTH AMENDMENT

The determinative issue in *Chavez II* is whether the provision of the Copyright Act that abrogates states' Eleventh Amendment immunity in copyright infringement suits is constitutionally valid.<sup>6</sup> If this provision is valid, then the case is properly within the jurisdiction of the federal courts and Chavez can proceed with the infringement suit. If the provision is held to be unconstitutional, Chavez may not be able to protect her copyright property.<sup>7</sup>

The Eleventh Amendment to the Constitution provides a bar to lawsuits brought in federal court against the states.<sup>8</sup> While the language of the amendment seems only to prohibit diversity actions, the Supreme Court has adopted a broader reading, using the amendment to also bar suits by in-state citizens based on federal law.<sup>9</sup> Despite this broad constitutional bar, federal courts recognized several exceptions that allowed them jurisdiction over private suits against the states. The two most common excep-

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6. See 17 U.S.C. §§ 501(a), 511(a) (1994).

7. Because jurisdiction over copyright suits resides exclusively in the federal courts, 28 U.S.C. § 1338 (1994), it is possible that no direct remedies would be available to the infringed copyright holder if federal jurisdiction is barred by Eleventh Amendment immunity. This concern was addressed in the majority opinion of *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996), in response to a statement by Justice Stevens in his dissent that "persons harmed by state violations of federal copyright, bankruptcy, and antitrust laws have no remedy" if the Eleventh Amendment bars a federal forum for suits on these matters. *Id.* at 77 n.1. The Court cited the doctrine of *Ex Parte Young* as an alternative remedy. *See id.* at 71 n.16. The *Ex Parte Young* doctrine allows a private suit seeking injunction against a state official by permitting the fiction that the official is not a state entity. *See generally* Vicki C. Jackson, *Coeur D'Alene, Federal Courts and the Supremacy of Federal Law: The Competing Paradigms of Chief Justices Marshall and Rehnquist*, 15 CONST. COMMENT. 301 (1998).

8. The amendment states, "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. CONST. amend. XI. *See generally* William Burnham, "Beam Me Up, There's No Intelligent Life Here": A Dialogue on the Eleventh Amendment with Lawyers from Mars, 75 NEB. L. REV. 551 (1996).

9. *See* *Hans v. Louisiana*, 134 U.S. 1, 21 (1890) (holding that the Eleventh Amendment prohibits suits by in-state citizens as well as by out-of-state citizens). *See generally* William A. Fletcher, *A Historical Interpretation of the Eleventh Amendment: A Narrow Construction of an Affirmative Grant of Jurisdiction Rather Than a Prohibition Against Jurisdiction*, 35 STAN. L. REV. 1033 (1983) (arguing that the Eleventh Amendment was meant to clarify that Article III jurisdiction did not authorize diversity suits by citizens against states and was not meant to generally prohibit the federal courts' exercise of "both party-based and subject matter-based jurisdiction over private citizens' suits against the states").

tions<sup>10</sup> were to find congressional authority in the Commerce Clause of the Constitution<sup>11</sup> or in the Fourteenth Amendment<sup>12</sup> to overcome Eleventh immunity.

The Supreme Court recognized Commerce Clause authority for Congress to abrogate states' Eleventh Amendment rights in *Pennsylvania v. Union Gas Company*.<sup>13</sup> The Court allowed Pennsylvania to be sued in federal court by a contractor over a dispute arising from an environmental cleanup regulated by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA),<sup>14</sup> a federal statute that imposed liability upon states and expressly abrogated their Eleventh Amendment immunity.<sup>15</sup> The Court held that the Commerce Clause empowered Congress to hold states liable in federal courts based on the theory that the states, in ratifying the Constitution, had agreed to congressional regulation in the area of interstate commerce.<sup>16</sup>

The second source of authority that provided Congress with the power to abrogate state's Eleventh Amendment immunity is Section 5 of the Fourteenth Amendment.<sup>17</sup> In *Fitzpatrick v. Bitzer*,<sup>18</sup> the Supreme Court held that the Eleventh Amendment is "necessarily limited by the enforcement provisions of the Fourteenth Amendment"<sup>19</sup> and that Congress may rely on the Fourteenth Amendment to "provide for private suits against

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10. Another theory that provided Congress with the authority to abrogate is the *Parden* doctrine. This doctrine derived from the Supreme Court case *Parden v. Terminal Railway*, 377 U.S. 184 (1964), and relies on a finding of implied consent by the state for suit in federal court. In *Parden*, the Court held that the state of Alabama "subjected itself to the commerce power of the federal government" by engaging in the interstate railroad business. *Id.* at 193 (citing *Maurice v. State*, 43 Cal. App. 2d 270, 275 (Cal. Dist. Ct. App. 1941)). The *Parden* doctrine was considerably weakened by several subsequent Supreme Court cases and is now of questionable status. See *Welch v. Texas Dept. of Highways and Pub. Transp.*, 483 U.S. 468, 478 (1987); *Employees v. Missouri Dept. of Pub. Health and Welfare*, 411 U.S. 279, 285 (1973).

11. U.S. CONST. art. I, § 8, cl. 3.

12. U.S. CONST. amend. XIV. The Fourteenth Amendment was ratified in 1868 as one of a trio of constitutional amendments (Thirteenth, Fourteenth, and Fifteenth) ratified in the aftermath of the Civil War with the goal of protecting individuals against state governments. See U.S. CONST. amends. XIII, XIV, XV.

13. 491 U.S. 1 (1989).

14. 42 U.S.C. §§ 9601-9675 (1994).

15. See *Union Gas*, 491 U.S. at 7-8.

16. See *id.* at 19-20.

17. U.S. CONST. amend. XIV, § 5 ("The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.").

18. 427 U.S. 445 (1976).

19. *Id.* at 456.

States.”<sup>20</sup> The use of Section 5 of the Fourteenth Amendment to abrogate Eleventh Amendment immunity has been affirmed in subsequent cases.<sup>21</sup>

The Eleventh Amendment abrogation landscape changed dramatically in 1996 when the Supreme Court squarely overruled *Union Gas in Seminole Tribe v. Florida*.<sup>22</sup> The Court in *Seminole Tribe* significantly restricted the ability of Congress to abrogate states’ immunity,<sup>23</sup> holding that “Article I cannot be used to circumvent the constitutional limitations placed upon federal jurisdiction.”<sup>24</sup> This expressly prohibited the use of the Commerce Clause as authority for congressional abrogation of Eleventh Amendment immunity.<sup>25</sup> *Seminole Tribe*, however, continued to recognize the use of the Fourteenth Amendment to provide jurisdiction over states in private suits.<sup>26</sup> The Court noted that “under the Fourteenth Amendment, . . . Congress’ authority to abrogate is undisputed.”<sup>27</sup>

Thus, the Fourteenth Amendment appears to be the only door open for overcoming state immunity to private suits. Two requirements must be satisfied for Congress to abrogate states’ Eleventh Amendment immunity through the Fourteenth Amendment.<sup>28</sup> First, the language of the legislation in question, the Copyright Act in this case, must unequivocally demonstrate Congress’ intent to abrogate immunity.<sup>29</sup> Second, Congress must have a valid grant of power from the Fourteenth Amendment to take such action.<sup>30</sup>

### A. The Language of the Copyright Act

When Congress intends to abrogate state Eleventh Amendment immunity, it must clearly demonstrate that intent. In *Atascadero State Hospital*

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20. *Id.*

21. *See, e.g., Seminole Tribe of Florida v. Florida*, 517 U.S. 44, 55-56 (1996); *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 238 (1985).

22. 517 U.S. 44 (1996).

23. *See id.* at 72-73.

24. *Id.* at 73.

25. The ruling also placed in question the validity of asserting a *Parden* waiver of immunity. Because the *Parden* doctrine was based on Congress’ Article I authority to create legislation that governed state activity, the doctrine might run afoul of *Seminole Tribe* by utilizing Congress’ Article I power to overcome a state’s Eleventh Amendment immunity.

26. *See Seminole Tribe of Florida*, 517 U.S. at 59.

27. *Id.* at 71 n.15.

28. *See U.S. ex rel. Stevens v. State of Vt. Agency of Natural Resources*, 162 F.3d 195, 213 (2d Cir. 1998) (Weinstein, J., dissenting) (discussing abrogation of the Eleventh Amendment after *Seminole Tribe*).

29. *See Seminole Tribe of Florida v. Florida*, 517 U.S. 44, 55 (1996).

30. *See id.* at 58.

*v. Scanlon*,<sup>31</sup> the Supreme Court held that “Congress may abrogate the States’ constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute.”<sup>32</sup> By requiring Congress to unequivocally state its intention to abrogate immunity, the Court is protecting the “constitutionally mandated balance of power”<sup>33</sup> between states and the federal government. The Court has consistently reaffirmed this stance.<sup>34</sup>

Prior to 1990, this requirement for clarity of intent to abrogate Eleventh Amendment immunity prevented several copyright infringement cases from being heard in federal courts.<sup>35</sup> At that time, the Copyright Act provided that “[a]nyone who violates the exclusive rights of the copyright owner” is liable for copyright infringement.<sup>36</sup> This language did not explicitly include states as potential defendants. Congress responded to these concerns and passed the Copyright Clarification Act in 1990, amending the Copyright Act.<sup>37</sup> The new language specifies that “‘anyone’ includes any State [or] any instrumentality of a State.”<sup>38</sup> Moreover, the amendments also added section 511, which states that “[a]ny State [or] any instrumentality of a State ... shall not be immune, under the Eleventh Amendment of the Constitution of the United States ... from suit in Federal court by any person.”<sup>39</sup> Congress passed an analogous amendment to the Patent Act in 1992.<sup>40</sup>

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31. 473 U.S. 234 (1985).

32. *Id.* at 242.

33. *Id.* (citing *Garcia v. San Antonio Metro. Transit Auth.*, 469 U.S. 528, 547 (1985)).

34. See, e.g., *Seminole Tribe of Florida*, 517 U.S. at 55-57; *Dellmuth v. Muth*, 491 U.S. 223, 230-31 (1989); *Welch v. Texas Dept. of Highways and Pub. Transp.*, 483 U.S. 468, 478 (1987).

35. See *Lane v. First National Bank of Boston*, 871 F.2d 166, 174 (1st Cir. 1989); *BV Eng’g v. UCLA*, 858 F.2d 1394, 1396 (9th Cir. 1988); *Richard Anderson Photography v. Brown*, 852 F.2d 114, 129 (4th Cir. 1988).

36. 17 U.S.C. § 501(a) (1976) (amended 1990).

37. See Copyright Clarification Act, Pub. L. No. 101-553, 104 Stat. 2749 (1990) (codified at 17 U.S.C. §§ 501(a), 511 (1998)); Kurt E. Springmann, *The Impact of Seminole on Intellectual Property Infringement by State Actors: The Interaction of Article I, Article III, the Eleventh Amendment, and the Fourteenth Amendment*, 29 ARIZ. ST. L. J. 889, 896-97 (1997).

38. 17 U.S.C. § 501(a) (1998).

39. 17 U.S.C. § 511(a) (1998).

40. See Patent and Plant Variety Protection Clarification Act, Pub. L. No. 102-560, § 2(a)(2), 106 Stat. 4230 (1992) (codified at 35 U.S.C. § 296(a) (1994)).

## B. Authority under the Fourteenth Amendment to Abrogate a State's Eleventh Amendment Immunity

Once a statute is found to demonstrate clear intent to abrogate Eleventh Amendment immunity, a court must then determine whether Congress had valid authority for this abrogation. Because abrogation can no longer be based on the Commerce Clause, a court must examine Congress' authority under the Fourteenth Amendment.<sup>41</sup> Section 1 of the Fourteenth Amendment states "nor shall any State deprive any person of life, liberty, or property, without due process of law."<sup>42</sup> These rights are enforceable under section 5 of the Amendment, which grants Congress the "power to enforce, by appropriate legislation, the provisions of this article."<sup>43</sup>

The Supreme Court placed an important limitation on Congress' ability to use the Fourteenth Amendment's grant of enforcement authority in *City of Boerne v. Flores*.<sup>44</sup> In addressing the relationship between Congress' Article I legislative power and the Fourteenth Amendment, the Court declared that Congress "has been given the power 'to enforce,' not the power to determine what constitutes a constitutional violation."<sup>45</sup> The Court continued, "[i]f Congress could define its own powers by altering the Fourteenth Amendment's meaning, no longer would the Constitution be 'superior paramount law, unchangeable by ordinary means.'"<sup>46</sup> Thus, the Fifth Circuit in *Chavez II* had to confront whether there are constitutional limitations on the role Congress can play in determining the meaning and scope of the term "property" in the Fourteenth Amendment.

The scope of the enforcement power granted by section 5 of the Fourteenth Amendment was set forth in *Ex parte Virginia*.<sup>47</sup> The Court stated that

[w]hatever legislation is appropriate, that is, adapted to carry out the objects the amendments have in view, whatever tends to enforce submission to the prohibitions they contain, and to secure to all persons the enjoyment of perfect equality of civil rights and the equal protection of the laws against State denial or inva-

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41. See *supra* notes 17-27 and accompanying text.

42. U.S. CONST. amend. XIV, § 1.

43. *Id.* § 5.

44. 117 S. Ct. 2157 (1997).

45. *Id.* at 2164.

46. *Id.* at 2168 (quoting *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 177 (1803)).

47. 100 U.S. 339 (1879).

sion, if not prohibited, is brought within the domain of congressional power.<sup>48</sup>

This standard focuses Fourteenth Amendment section 5 analysis on the objective of the legislation in question and the means used by the legislation in achieving that objective.<sup>49</sup> For *Chavez II*, this means that the provisions of the Copyright Act abrogating states' Eleventh Amendment immunity must be intended to protect a deprivation without due process or just compensation of a protected "property" interest.<sup>50</sup> In addition, the provisions must be adapted to carry out, or enforce, the protection of the protected interest.<sup>51</sup> Here, the provisions would enable the plaintiff to bring suit in federal court to protect her copyright. This Note examines the critical first step of this analysis, the determination of whether copyrights are property interests protected by the Fourteenth Amendment.

## II. CHAVEZ V. ARTE PUBLICO PRESS (CHAVEZ II)

Denise Chavez is an author who entered into a publishing agreement with Arte Publico Press, which is a publisher owned by and "legally indistinguishable from the University [of Houston]."<sup>52</sup> Several printings were done of her book *The Last of the Menu Girls*.<sup>53</sup> Chavez was dissatisfied with the quality of these printings and refused to allow any further printing, citing as justification a provision of their printing agreement that specified the number of copies to be printed.<sup>54</sup> The University claimed that the contract did not limit the number of copies to be printed and proceeded to plan another printing.<sup>55</sup> Chavez filed for declaratory judgment, dam-

48. *Id.* at 345-46. See also *City of Boerne*, 117 S. Ct. at 2163.

49. See *College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 148 F.3d 1343, 1348, 47 U.S.P.Q.2d 1161, 1165 (Fed. Cir. 1998).

50. See *Chicago, B & Q. R. Co. v. City of Chicago*, 166 U.S. 226, 235 (1897) (holding that the Fourteenth Amendment extends the protections of the Fifth Amendment). See also *Dolan v. City of Tigard*, 512 U.S. 374, 383 (1994).

51. See *City of Boerne v. Flores*, 117 S. Ct. 2157, 2164 (1997).

52. *Chavez v. Arte Publico Press*, 59 F.3d 539, 540 (5th Cir. 1995), vacated by *Univ. of Houston v. Chavez*, 517 U.S. 1184 (1996).

53. See *id.* at 540.

54. The contract between Chavez and Arte Publico Press stated that "the University shall have the exclusive right [to] publish the book for a term of at least five years and that only the University may terminate the contract during that term." *Id.* at 541 n.2. An addendum specified that 2000 paperbacks were to be published. See *id.*

55. See *id.*

ages, and an injunction for, *inter alia*, copyright infringement against the University.<sup>56</sup>

Chavez sued in the United States District Court for the Southern District of Texas under federal question and supplemental jurisdiction.<sup>57</sup> As a public entity, the University claimed state immunity based on the Eleventh Amendment and moved for dismissal of the case.<sup>58</sup> When the district court denied the motion to dismiss, the University made an interlocutory appeal to the Fifth Circuit Court of Appeals.<sup>59</sup> In *Chavez I*, the Fifth Circuit Court affirmed the denial of the University's motion to dismiss, holding that Congress could use its Article I powers to abrogate state immunity based on *Union Gas*<sup>60</sup> and that the University had waived its right to immunity based on the express language in the Copyright and Lanham Acts in accordance with the *Parden* doctrine.<sup>61</sup> The Supreme Court granted certiorari and remanded the case to the Fifth Circuit for reconsideration in light of its decision in *Seminole Tribe*.<sup>62</sup> This second decision by the Fifth Circuit (*Chavez II*)<sup>63</sup> is the focus of this Note.

The Fifth Circuit began its analysis by noting Congress' amendments to the Copyright Act.<sup>64</sup> It held that the language of the amended Copyright Act is sufficiently explicit to fulfill the requirement of clear congressional intent to abrogate Eleventh Amendment immunity.<sup>65</sup> Chavez claimed that the *Parden* doctrine of implied waiver survived *Seminole Tribe* and provided the necessary authority for Congress to abrogate. She alternatively asserted that the Fourteenth Amendment empowers Congress to abrogate state immunity. While the court addressed both of these issues in its deci-

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56. *See id.* In addition, the University had published a collection of plays identifying Chavez as the one who selected the plays. *See id.* In response, Chavez also filed a claim for the violation of her right to not have her name misappropriated under the Lanham Act. *See id.* This issue will not be discussed in this Note.

57. *See Chavez v. Arte Publico Press*, 59 F.3d 539, 541 n.2. (5th Cir. 1995), *vacated* by *University of Houston v. Chavez*, 517 U.S. 1184 (1996) (granting certiorari).

58. *See id.*

59. *See id.* at 541.

60. *See id.* at 546.

61. *See id.* See also *supra* note 10 for a brief description of the *Parden* doctrine.

62. *See University of Houston v. Chavez*, 517 U.S. 1184. (1996).

63. *See Chavez v. Arte Publico Press*, 157 F.3d 282 (5th Cir. 1998).

64. *See id.* at 285. The court also addressed a Lanham Act trademark claim brought by Chavez. While the Lanham Act issues are related to the issues in the copyright claim, the Lanham Act claim is outside the scope of this discussion and will not be examined in this Note.

65. *See id.*

sion, this Note will only focus on the Fourteenth Amendment justification for Eleventh Amendment abrogation.<sup>66</sup>

The court considered whether the Copyright Act's abrogation of immunity was authorized under section 5 of the Fourteenth Amendment.<sup>67</sup> The court began this analysis by asking whether the Arte Publico Press' breach of contract deprived Chavez of her constitutional property rights without due process, thus authorizing the use of section 5 to empower Congress' abrogation of the state's Eleventh Amendment immunity.<sup>68</sup> The first step examined whether "Chavez's breach of copyright action" was a property interest protected by the Fourteenth Amendment.<sup>69</sup>

The court began by conceding that "[c]opyrights are indeed a species of property."<sup>70</sup> However, it stated that "the extent to which they [copyrights] are protectable against the states raises troubling issues."<sup>71</sup> In apparent support of this, the court cited a footnote in *Seminole Tribe* noting that there has been an "absence of caselaw authority over the past 200 years dealing with enforcement of copyrights in federal courts against the states."<sup>72</sup> From this, the court derived the implication that "there has been no [such] claim against states in the federal courts."<sup>73</sup> The court then, however, cited a court of appeals case that held a copyright interest to be protectable under the Fourteenth Amendment.<sup>74</sup> In addition, the court analogized copyright property interests to property interests in trade secrets,<sup>75</sup> concluding that copyrights were "intangible property that, for some purposes at least, receives constitutional protection."<sup>76</sup>

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66. In *Chavez II*, the Fifth Circuit held that *Seminole Tribe* invalidated the use of the *Parden* doctrine, declaring "that Congress cannot condition states' activities that are regulable by federal law upon their 'implied consent' to being sued in federal court." *Id.* at 287.

67. *See id.*

68. *See id.*

69. *See Chavez v. Arte Publico Press*, 157 F.3d 282, 287 (5th Cir. 1998).

70. *Id.* at 288.

71. *Id.*

72. *Id.* The footnote in question stated that "there is no established tradition in the lower federal courts of allowing enforcement of those federal statutes [copyright, bankruptcy and antitrust] against the States." *Seminole Tribe of Florida v. Florida*, 517 U.S. 44, 73 n.16 (1996).

73. *Chavez*, 157 F.3d at 288.

74. *See id.* (citing *Roth v. Pritikin*, 710 F.2d 934, 939 (2d Cir. 1983)).

75. *See Chavez v. Arte Publico Press*, 157 F.3d 282, 288 (5th Cir. 1998).

76. *Id.* (citing *Ruckelshaus v. Monsanto*, 467 U.S. 986, 1003-04 (1984) (holding that trade secrets are property protected by the Fifth Amendment)). The court next proceeded into a discussion of a possible breach of contract claim that Chavez could assert in state court. *See id.* at 288-89. The relevance of this discussion to the issues at hand is dif-

The court next addressed whether “a copyright infringement claim is property protected by the Due Process Clause.”<sup>77</sup> It held that copyrights are not property protected by the Fourteenth Amendment.<sup>78</sup> The court’s reasoning centered on the fact that Congress created the property interest in a copyright by using its Article I powers.<sup>79</sup> The court expressed concern that if Congress is allowed to abrogate states’ immunity based on Article I powers, then “Congress could easily legislate “property” interests and then attempt to subject states to suit in federal court for the violation of such interests.”<sup>80</sup> This would, in essence, be a “direct end-run” around the *Seminole Tribe* holding.<sup>81</sup> The court concluded this analysis by stating that it could not distinguish between copyright property interests and any other type of Congressionally-created property interests that could be used to abrogate Eleventh Amendment immunity.<sup>82</sup> The court did note, however, that a district court had held that the provision of the Patent Act abrogating states’ Eleventh Amendment immunity was authorized by Section 5 of the Fourteenth Amendment, but did not attempt to distinguish this holding.<sup>83</sup>

The court concluded its opinion by describing several options that could provide effective protection of copyrights against state infringers. The court first cited the doctrine of *Ex Parte Young*,<sup>84</sup> which would allow a copyright holder to sue a state official in federal court for injunctive relief. It also restated that a suit on a copyright contract may be brought in state court. Additionally, the federal government could sue the state in federal court to enforce the copyright law. The court lastly noted that Congress could give concurrent jurisdiction to state courts to hear copyright claims.

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difficult to discern. The court’s major point seems to be that the alternative claim of breach of contract was available to Chavez.

77. *Id.* at 289.

78. *See id.*

79. Congress relied on its power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries” as stated in the Copyright and Patent Clause of the Constitution. *See* U.S. CONST. art. I, § 8, cl. 8.

80. *Chavez*, 157 F.3d at 289.

81. *Chavez v. Arte Publico Press*, 157 F.3d 282, 289 (5th Cir. 1998).

82. *See id.*

83. *See id.* at 290 (citing *College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 948 F. Supp. 400 (D.N.J. 1996)). The court also cited dicta in another district court opinion that stated that section 5 empowered the abrogation of states’ immunity by the Patent Act. *See id.* (citing *Genentech, Inc. v. Regents of the Univ. of Cal.*, 939 F. Supp. 639, 643 (S.D. Ind. 1996)).

84. 209 U.S. 123 (1908). *See supra* note 7 for discussion of the *Ex Parte Young* doctrine.

In a dissent filed six months after the decision in *Chavez II*, Judge Wisdom argued that Congress does have authority under section 5 to abrogate state immunity.<sup>85</sup> He stated that “[i]t may be that this allows an end-run around *Seminole*, but this end-run is one grounded in the text of the Constitution and well-established precedent.”<sup>86</sup> This conclusion was based on the grounds that “[p]rotecting copyright and trademark holders from infringement by an arm of the state government is a legitimate legislative objective under section 5.”<sup>87</sup>

### III. ANALYSIS OF THE DECISION IN *CHAVEZ II*

In *Chavez II*, the Fifth Circuit held that a copyright infringement claim could not be brought against a state entity because the Eleventh Amendment provides immunity to the state. This holding was essentially based on the court’s determination that copyrights are not property interests protected by the Fourteenth Amendment. While the court’s rationale for its holding was somewhat unclear, the motivation for the holding is revealed by a careful study of the opinion.

The court recognized a potential constitutional problem with the placement of copyrights under the Fourteenth Amendment.<sup>88</sup> The holdings of *Seminole Tribe* and *City of Boerne* restrict the ability of Congress to determine the constitutional limitations on its own powers.<sup>89</sup> Viewed broadly, these two cases can be construed to prohibit Congress from defining in any way what is encompassed by the term “property” in the Fourteenth Amendment. Since the property rights in a grant of a copyright were established by Congress using its Article I, clause 8 power, the validity of including copyrights within the Fourteenth Amendment then becomes questionable.

The court erred by relying on this argument without pursuing an analysis of the property aspects of copyrights. The court revealed the true basis for its holding when it stated that

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85. See *Chavez v. Arte Publico Press*, 157 F.3d 282, 289 (5th Cir. 1998) (Wisdom, J., dissenting).

86. *Id.* at 297-98.

87. *Id.* at 296.

88. This problem is also relevant to an analysis of the property interests of patents. See *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343, 1351-52, 47 U.S.P.Q.2d 1161, 1166-68 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3259 (U.S. Jan. 8, 1999) (No. 98-531).

89. See *supra* Part I. See also *City of Boerne v. Flores*, 117 S. Ct. 2157, 2164 (1997); *Seminole Tribe of Florida v. Florida*, 517 U.S. 44, 73 (1996).

[a] separate problem besets the contention that a copyright infringement claim is property protected by the Due Process Clause [the Fourteenth Amendment].... If it rests on the uniqueness of the property interest created by federal law, which is the source of Chavez's copyright, then it is a direct end-run around Seminole's holding that Article I powers may not be employed to avoid the Eleventh Amendment's limit on the federal judicial power.<sup>90</sup>

It appears that the real concern of the Fifth Circuit in *Chavez II* was the possibility that weakening the limitations on Congress could open the door to greater intrusion into the state's sovereign domain. This concern is revealed by several subsequent points made by the court. The court reasoned, "If a state's conduct impacting on a business always implicated the Fourteenth Amendment, Congress would have almost *unrestricted power* to subject states to suit through the exercise of its abrogation power."<sup>91</sup> Similarly, the court found that "[i]f the Fourteenth Amendment is held to apply so broadly as to justify Congress' enactment of the Bankruptcy Code as a requirement of due process, then the same argument *would justify every federal enforcement scheme* as a requirement of due process under the Fourteenth Amendment."<sup>92</sup> The court decided that it did not "perceive ... [any distinction] between her [Chavez's] copyright infringement claim and *any other tangible or intangible interests* that could give rise to Eleventh Amendment abrogation provisions in this way."<sup>93</sup> Finally, the court ended its analysis by stating that "*Seminole* condemns Congress' effort to force unconsenting states into federal court as the price of doing business regulated by the ... Copyright [Act]."<sup>94</sup> In response to these fears, the court adopted a broad interpretation of *Seminole Tribe*.

The concerns of the Fifth Circuit are legitimate and real. If Congress were allowed unfettered power to define property interests that are under the Fourteenth Amendment, Eleventh Amendment immunity would mean little as Congress could abrogate it with relative ease.<sup>95</sup> However, by al-

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90. *Chavez v. Arte Publico Press*, 157 F.3d 282, 289 (5th Cir. 1998).

91. *Id.* at 289 (quoting *College Savings Bank v. Florida Prepaid Postsecondary Educ. Bd.*, 131 F.3d 353, 361 (3rd Cir.)) (emphasis added).

92. *Id.* at 290 (quoting *In re Creative Goldsmiths*, 119 F.3d 1140, 1146-47 (4th Cir. 1997)) (emphasis added).

93. *Id.* at 289 (emphasis added).

94. *Id.* at 291.

95. The courts have held a wide variety of interests to be property rights protectable by the Fourteenth or Fifth Amendments. *See, e.g.*, *Cleveland Bd. of Educ. v. Lauderhill*, 470 U.S. 532, 538 (1985) (right to a governmental job if only terminable with cause); *Berg v. Shearer*, 755 F.2d 1343, 1345 (8th Cir. 1985) (unemployment benefits); *Myers v.*

lowing its policy considerations to override actual analysis of the property interest of copyrights, the court effectively withdrew constitutional protection from a well-established property right. In addition to diminishing copyright holders' rights, this result adds inconsistency and confusion to Fourteenth Amendment jurisprudence. An analysis of the property aspects of copyright justifies the protection of copyrights by the Fourteenth Amendment, yet maintains barriers against subjecting states to the "unrestricted power" of the federal government.

## A. Analysis of a Copyright's Property Aspects

### 1. *Copyrights as property*

Copyrights possess many characteristics that are similar to "real" property.<sup>96</sup> Copyrights can be owned<sup>97</sup> and sold.<sup>98</sup> Copyrights have economic value that can be realized by leasing and renting.<sup>99</sup> The interests of a copyright may be divided and transferred in part and are heritable.<sup>100</sup> Most importantly, the holder of a copyright has the legal power to exclude others.<sup>101</sup> While the copyright holder cannot prohibit access to any particular physical copy of her work, she can prevent others from copying<sup>102</sup> or performing<sup>103</sup> the works, and from doing a number of other actions affecting the expression of her ideas.<sup>104</sup> In addition, there is widespread legal

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City of Alcoa, 752 F.2d 196, 198 (6th Cir. 1985) (right to continued electric service if state law only permits the electricity to be cut off with cause); *Holbrook v. Pitt*, 643 F.2d 1261, 1278-79 (7th Cir. 1984) (subsidized housing payments); *Reed v. Village of Shorewood*, 704 F.2d 943, 948 (7th Cir. 1983) (renewal of liquor license); *Stevens v. Hunt*, 646 F.2d 1168, 1169 (6th Cir. 1981) (law student has a constitutional property interest in continuing education); *Buxton v. Lowell*, 559 F. Supp. 979, 993-94 (S.D. Ind. 1983) (right to use the designation Ph.D.); *Hixon v. Durbin*, 560 F. Supp. 654 (E.D. Pa. 1983) (contract for counseling services creates property).

96. For an extensive discussion of the property interests in copyrights see Timothy J. Brennan, *Copyright, Property, and the Right to Deny*, 68 CHI.-KENT L. REV. 675 (1993).

97. See 17 U.S.C. § 201(a) (1994).

98. See *id.* § 106(3).

99. See *id.*

100. See *id.* § 201(d).

101. The right to exclude has been termed one of the most important property rights. See *Kaiser Aetna v. United States*, 444 U.S. 164, 176 (1979) (referring to the right to exclude others as "one of the most essential sticks in the bundle of rights that are commonly characterized as property.").

102. See 17 U.S.C. § 106(1).

103. See *id.* § 106(4).

104. Other exclusionary rights provided to copyright holders include the right to derivative works, the right to distribute, and the right to display. See 17 U.S.C. §§ 106(2), 106(3), 106(5).

recognition of copyrights as a property interest.<sup>105</sup> For example, many states refer to copyrights as property subject to depletion.<sup>106</sup> Finally, the reliance and expectation interests that have developed around the copyright system need to be considered.<sup>107</sup> Only the rare author would devote time and energy to the creation of a work if she did not expect any legal protection for her investment.<sup>108</sup>

In *Chavez II*, the Fifth Circuit conceded that copyrights are property.<sup>109</sup> However, the court questioned whether copyrights qualify as constitutionally protected property.<sup>110</sup> The Fifth Circuit's decision, then, turns on the distinction between property in general and constitutional property.<sup>111</sup> In fact, the court made an even finer distinction by stating that "[b]y analogy [to trade secrets], copyrights constitute intangible property that, for some purposes at least, receives constitutional protection."<sup>112</sup> The court, however, did not explain exactly what delineated intangible property that receives constitutional protection from intangible property that does not, and this is one of the key shortcomings of the opinion.

## 2. *Copyrights as constitutional property*

The critical issue of *Chavez II* is what, precisely, qualifies an interest as constitutional, or more specifically Fourteenth Amendment, property?

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105. In Judge Wisdom's dissent in *Chavez II*, he declared that "[o]ver the course of many years, and in many different contexts, copyrights and trademarks have been treated as a form of 'property.'" *Chavez v Arte Publico Press*, 157 F.3d 282, 296 (5th Cir. 1998) (Wisdom, J., dissenting).

106. See *infra* note 134. Copyrights have also been designated property in state courts. See *infra* note 135 and accompanying text.

107. See generally D. Benjamin Barros, Note, *Defining "Property" in the Just Compensation Clause*, 63 FORDHAM L. REV. 1853 (1995) (discussing but rejecting the use of expectation as a basis for determining constitutional property).

108. Similarly, publishers and movie studios are likely to be quite reluctant to invest in advertising and distribution of their works with copyright protection because they are easily copied and produced.

109. See *Chavez*, 157 F.3d at 288.

110. See *id.*

111. Because the Fifth Circuit concluded that copyrights are not constitutionally protected property interests, it did not need to pursue a takings analysis any further. If the court had determined that copyrights did qualify for Fourteenth Amendment protection, it would have had to analyze whether the state's publishing company had "taken" the copyright property without just compensation or due process. See generally John T. Cross, *Intellectual Property and the Eleventh Amendment after Seminole Tribe*, 47 DEPAUL L. REV. 519 (1998) (providing a detailed and well-thought out consideration of the effect of *Seminole Tribe* on intellectual property rights). This issue is outside the scope of this Note.

112. *Chavez v. Arte Publico Press*, 157 F.3d 282, 288 (5th Cir. 1998).

Two lines of analysis can be followed in addressing this question. First, a review of the intent behind the Fourteenth Amendment supports that the word “property” extends to copyright. In addition, copyrights are shown to be a well-established property interest that Congress merely recognized in forming a federal system of copyright protection.

a) Copyrights fall within the meaning of “property” under the Fourteenth Amendment

The Fourteenth Amendment can be viewed as a voluntary diminution of power and sovereignty by the states,<sup>113</sup> specifically a diminution of their sovereignty with respect to life, liberty and property interests.<sup>114</sup> However, the amendment merely refers to “property” without qualification or definition. This makes it important to determine the intent for the meaning of “property” as used in the amendment. In contrast to typical legislation, constitutional amendments are ratified by the states<sup>115</sup> and presumably reflect the popular will of those states. Therefore, it is necessary to examine whether property was generally thought to include copyrights at the time the Fourteenth Amendment was ratified. The Federal Circuit in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*<sup>116</sup> utilized precisely this type of reasoning to reject a *Seminole Tribe*-type argument when it stated, “Unlike many forms of property only recently recognized, patents were certainly considered property at the time of the adoption of the Fourteenth Amendment in 1868.”<sup>117</sup>

Even at the time of the ratification of the Fourteenth Amendment, copyrights were a long-established property interest with origins that dated back to England and the Statute of Anne in 1710.<sup>118</sup> As discussed below, copyright laws were established in the United States even prior to the Constitution.<sup>119</sup> Not only are copyrights described in the Constitution, the Copyright Act was one of the first pieces of legislation passed by the Con-

113. See *Fitzpatrick v. Bitzer*, 427 U.S. 445, 453-55 (1976). The limitation of Eleventh Amendment immunity by the Fourteenth Amendment was a critical determination by the Court in holding that the Eleventh Amendment did not bar a suit under the Civil Rights Act against the state of Connecticut. See *id.* at 456.

114. See U.S. CONST. amend. XIV, § 1.

115. Amendments to the federal Constitution must be ratified by either the state legislatures or state Constitutional conventions of three-fourths of the states. See U.S. CONST. art. V.

116. 148 F.3d 1343, 47 U.S.P.Q.2d 1161 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3259 (U.S. Jan. 8, 1999) (No. 98-531).

117. *Id.* at 1352.

118. See BRUCE W. BUGBEE, *THE GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW* 53-54 (1967).

119. See *infra* note 123 and accompanying text.

gress.<sup>120</sup> In the judicial system, copyrights were well-established as property interests by 1868, as demonstrated by the extensive discussion of copyright property interests in *Wheaton v. Peters*,<sup>121</sup> an 1834 Supreme Court case. The fact that copyrights were within the contemplation of the general public at the time the Fourteenth Amendment was ratified is supported by the presence of articles in popular magazines that discussed the property aspects of copyrights.<sup>122</sup> These considerations lend strong support to the contention that the term “property” was intended to include such an established property interest as copyrights.

b) Copyrights are not a ‘mere’ federal creation

Copyrights are more properly seen as a recognized property interest for which a federal system of protection was established than a mere “creation” of Congress. Copyrights were originally products of state law. Eleven of the original thirteen states established state copyright statutes prior to the Constitution.<sup>123</sup> Many of these statutes explicitly recognized copyrights as property interests.<sup>124</sup> However, when a federal system of copyrights was established by the Copyright Act of 1790, these state laws were effectively preempted, and the states eventually repealed these laws.<sup>125</sup> Justice Thompson of the Supreme Court commented on the basis for the copyright interest in his dissent in *Wheaton*.<sup>126</sup> He stated that “[a]ll laws on this subject purport to be made securing to authors and proprietors such copyright. They presuppose the existence of a right, which is to be secured, and not a right originally created by the act.”<sup>127</sup>

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120. See BUGBEE, *supra* note 118, at 125-38 (discussing the enactment of the Copyright Act in detail).

121. 33 U.S. (8 Pet.) 591 (1834).

122. See, e.g., *Copyright Property*, ATHENAEUM, #1883, Nov. 28, 1863 at 720-21; *Who Owns an Author's Ideas?*, 4 NATION 520 (1867); *Ideal Property*, 22 ATLANTIC MONTHLY 656-67 (1868); *Literary Piracy*, 1 AM. LITERARY GAZETTE 98 (1863); *Literary pirates*, ATHENAEUM, #2042, Dec. 1866, p. 840-41; *Violations of Literary Property*, CONTIN. MONTHLY, v.6, Sept. 1864, p. 336-55; S. Irenaeus Prime *The Right of Copyright; a Concise Statement of the Question*, 11 PUTNAM'S MAG. 635-36 (1868).

123. See BUGBEE, *supra* note 118 at 108-22. See also PHILLIP WITTENBERG, *THE PROTECTION OF LITERARY PROPERTY* 32-33 (1978).

124. See BUGBEE, *supra* note 118, at 108-22 (explaining that Maryland enacted “an [a]ct respecting literary property,” New Hampshire stipulated that literary works were the “sole property” of the author, South Carolina protected “the property in every such book, North Carolina passed “[a]n [a]ct for securing Literary Property,” and Virginia secured “the authors of literary works an exclusive property therein”).

125. See *id.* at 124. Connecticut did not repeal its copyright statute until 1812. See *id.* at 124.

126. See *Wheaton*, 33 U.S. at 685.

127. *Id.* at 685.

The idea that the Copyright Act merely secures the recognized property interest already inherent in a copyright fulfills the Supreme Court's interpretation of what constitutes a protected property interest.<sup>128</sup> The term "property" in the Fourteenth Amendment has expanded over time.<sup>129</sup> With the growth of the modern regulatory and welfare state, many intangible interests are now protected by the Fourteenth Amendment.<sup>130</sup> Many of these interests bear far less resemblance to traditional conceptions of property than do copyrights. The Supreme Court attempted to define the requirements for these interests to be within the Fourteenth Amendment.<sup>131</sup> The major criterion seems to be that property "interests attain this constitutional status by virtue of the fact that they have been initially recognized and protected by state law"<sup>132</sup> or some other source independent of the Constitution.<sup>133</sup>

Copyrights can be analyzed by these requirements. As discussed above, copyrights are actually a creation of state and common law. Although the federal copyright system preempts these laws, states do recognize and refer to the property interest in a copyright in statutes<sup>134</sup> and state court holdings.<sup>135</sup> In addition, a common law copyright (literary property) co-exists with the statutory copyright, although the expanding copyright regime has substantially reduced the scope and importance of this protec-

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128. See Gregory Gelfand, 'Taking' Informational Property Through Discovery, 66 WASH. U. L.Q. 703, 712-24 (1988) (arguing that a finding of constitutional property "results from constitutional interpretation").

129. Judge Posner discussed the evolving nature of Fourteenth Amendment property in *Patterson v. Portch*, 853 F.2d 1399, 1404-05 (1988). See generally Molly S. McUsic, *The Ghost of Lochner: Modern Takings Doctrine and its Impact on Economic Legislation*, 76 B.U. L. REV. 605 (1996).

130. See *supra* note 95.

131. See *Paul v. Davis*, 424 U.S. 693, 710-11 (1976); *Board of Regents of State Colleges v. Roth*, 408 U.S. 564, 577-78 (1972); *Perry v. Sinderman*, 408 U.S. 593, 601-02 (1972).

132. *Paul*, 424 U.S. at 710. See, e.g., *Cleveland Bd. of Educ. v. Lauderhill*, 470 U.S. 532, 538 (1985) (holding that an Ohio statute creating a civil service job that was terminable only with cause created a protectable property interest).

133. See *Board of Regents of State Colleges*, 408 U.S. at 577.

134. Some states refer to copyrights as property subject to depletion. See, e.g., CAL. CIV. CODE § 731.12 (West 1998); 20 PA. STAT. ANN. § 8103 (West 1999); TEX. PROP. CODE ANN. § 113.109 (West 1998). See also N.Y. TAX LAW § 2055(d)(4) (McKinney 1999) (stating that "works of art and their copyrights are to be treated as separate properties in certain cases").

135. See, e.g., *In re Marriage of Worth*, 195 Cal. App. 3d 768 (1987) (holding that copyrights are community property); *Simmons v. Sikes*, 56 S.W.2d 193, 196 (Tex. 1932) (holding that "a copyright is enjoyable as a legal estate, as other movable property").

tion.<sup>136</sup> The independent sources of recognition of copyright as a property interest should satisfy the Supreme Court's definition of Fourteenth Amendment property.

### 3. *The Fifth Circuit's rejection of a property analysis*

Despite these arguments for designating copyrights as constitutional property, the court in *Chavez II* instead relied on a broad reading of *Seminole Tribe* to justify a policy-driven determination that reached the opposite conclusion. The court's reasoning, however, yields several objectionable results. First, it relies on an asymmetric logic that confers the power on Congress to remove constitutional protection from an established property interest by legislating under its Article I powers, but not the power to create a constitutional property interest. It is much more consistent to find that Congress neither can confer nor remove the constitutionality of a property interest through its actions.<sup>137</sup> Second, the Fifth Circuit's reasoning creates a distinction between property protected under the Fourteenth Amendment and property protected under the Fifth Amendment, a division unsupported in the caselaw.<sup>138</sup> Indeed, it is well-accepted that the Fourteenth Amendment extends the protections of the Fifth Amendment against the states.<sup>139</sup> This fractures constitutional property jurisprudence, creating inconsistency and confusion. Finally, and most seriously, it produces an injustice in that copyright holders and, if the logic of the decision is extended to patents, patent holders will be barred from protecting their rights against infringing states. It does not seem appropriate for a property interest to be denied constitutional protection merely because Congress chose to erect a national system of protection for that interest. Rather, con-

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136. See *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834), for an extensive discussion of common law copyright, statutory copyright and their interrelationship.

137. By using Congress' decision to federalize copyrights as the basis for removing Fourteenth Amendment protection from copyrights, the Fifth Circuit is essentially relying on Congress to "determine what constitutes a constitutional violation." *City of Boerne v. Flores*, 117 S. Ct. 2157, 2164 (1997). This, of course, directly contradicts the teachings of *City of Boerne*.

138. Because *Seminole Tribe* addressed the issue of state immunity, it should not affect federal takings law based on the Fifth Amendment. As this eliminates the major objection of the court, the Fifth Circuit would presumably find copyrights to be protected under the Fifth Amendment.

139. See *Chicago, B & Q. R. Co. v. City of Chicago*, 166 U.S. 226, 235 (1897) (holding that "[d]ue process of law, as applied to judicial proceedings instituted for the taking of private property for public use means, therefore, such process as recognizes the right of the owner to be compensated if his property be wrested from him and transferred to the public"). See also *Dolan v. City of Tigard*, 512 U.S. 374, 383 (1994).

stitutional protection should be based on the merits of the property interest itself.

#### IV. CONCLUSION

The decision by the Fifth Circuit Court of Appeals in *Chavez II* produces a significant exception to the property protection provided by the copyright regime to owners of copyrightable material. By so doing, the court weakened the property aspects of copyrights.<sup>140</sup> Careful examination of the reasoning of the court demonstrates that the court subordinated the analysis of the property interests of copyrights, focusing instead on the preservation of state sovereignty from federal intrusion. An analysis of the statutory language of the Fourteenth Amendment and of the basis for copyrights leads to the conclusion that copyrights rise to the level of constitutional property. In addition, the use of this analysis maintains sufficient barriers to congressional creation of new “property” interests and preserves the state sovereignty about which the court seems to be so concerned. In this way, the rights and interests of the copyright holder can be maintained without emaciating the Eleventh Amendment.

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140. This is not necessarily an insignificant practical problem as many universities have publishing houses. The problem is potentially very significant when patents are considered due to the extensive number of research labs associated with universities.

