OFFICIAL TRANSCRIPT

PROCEEDINGS BEFORE

THE SUPREME COURT

OF THE

UNITED STATES

CAPTION: FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD, Petitioner v. COLLEGE SAVINGS BANK AND UNITED STATES.

CASE NO: 98-531 c.2

PLACE: Washington, D.C.

DATE: Tuesday, April 20, 1999

PAGES: 1-55

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IN THE SUPREME COURT OF THE UNITED STATES

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FLORIDA PREPAID :

POSTSECONDARY EDUCATION :

EXPENSE BOARD, :

Petitioner :

v. : No. 98-531

COLLEGE SAVINGS BANK AND :

UNITED STATES. :

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Washington, D.C.

Tuesday, April 20, 1999

The above-entitled matter came on for oral argument before the Supreme Court of the United States at 11:11 a.m.

APPEARANCES:

JONATHAN A. GLOGAU, ESQ., Assistant Attorney General, Tallahassee, Florida; on behalf of the Petitioner.

KEVIN J. CULLIGAN, ESQ., New York, New York; on behalf of Respondent College Savings Bank.

SETH P. WAXMAN, ESQ., Solicitor General, Department of Justice, Washington, D.C.; on behalf of the United States.

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P R O C E E D I N G S

(11:11 a.m.)

CHIEF JUSTICE REHNQUIST: We'll hear argument next in No. 98-531, Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank and the United States.

Mr. Glogau.

ORAL ARGUMENT OF JONATHAN A. GLOGAU

ON BEHALF OF THE PETITIONER

MR. GLOGAU: Mr. Chief Justice, and may it please the Court:

The Patent and Plant Variety Remedy Clarification Act of 1992 is unconstitutional because it is not appropriate for remedial legislation under section 5 of the Fourteenth Amendment.

When Congress considered this legislation, it did not consider the right question, that is whether the States have or will likely deny due process to patentees. Rather, it only looked at the issue of whether the States have or will infringe patents, not a constitutional wrong in and of itself.

QUESTION: Well, Mr. Glogau, what is it exactly that was patented here?

MR. GLOGAU: Mr. Chief Justice, I -- that's a good question. It's a process by which College Savings

Bank calculates the cost of -- the uncertain cost of future college admissions and -- and it also includes some physical things, as well as simply the process of calculating the amount. They sell --

QUESTION: I thought that's pretty easy. I thought you just add 10 percent every year. Isn't that --

(Laughter.)

MR. GLOGAU: Well, Justice Scalia, this -- this case is here before us on a motion to dismiss and whether or not -- we certainly don't admit that we've infringed on the patent. Our contention here is that on a motion to dismiss on Eleventh Amendment immunity, that the -- the act itself is unconstitutional because it -- the underpinnings for section 5 legislation are missing here.

Section 5 is remedial only. This Court has been very clear on that. In City of Boerne, it was -- it was emphasized only remedial legislation can come under section 5.

The act here suffers, therefore, from the same fatal defect that the act -- that the Religious Freedom Restoration Act suffered from, and that is that neither this Court nor Congress could have determined or did determine that there has been or likely will be a violation of the Constitution. The mere infringement of a

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patent, which is all that Congress really addressed and really is all that the -- my opponents here today will argue I think, is not a constitutional wrong. If there is due process available for such an infringement, then the -- the underpinnings, as I said, for section 5 legislation are missing.

QUESTION: What are the remedies in Florida for patent infringement?

MR. GLOGAU: I'm sorry.

QUESTION: What are the State remedies in Florida for patent infringement?

MR. GLOGAU: In the Jacobs Wind case, Justice Stevens, the petitioner in that case brought a patent infringement case against the State of Florida in the Federal court. The Federal circuit, before this act was passed, said that the State had sovereign immunity. The petitioner -- the plaintiff in that case then went back to the Florida State courts, and the Florida Supreme Court said that in fact we will provide you with a remedy in inverse condemnation or tort or -- or any number of -- of various types of common law remedies.

The petitioner -- the respondents in this case and the United States argue strongly that in this case that a patent is property. We don't dispute that patent is a property for certain purposes. They say -- they cite

cases that say that a patent is an equivalent for a patent for land. They say that it is personal property.

QUESTION: Well, let me -- let me just be sure I have an answer to my question. My question is what is the remedy in Florida for patent infringement, and you're saying it's an inverse condemnation remedy?

MR. GLOGAU: That's exactly correct.

QUESTION: That you have to prove you've taken the whole patent.

MR. GLOGAU: You have to prove that there's been a taking. In the context of patent infringement, the -- the issue -- the most important right found in a patent property, as argued by my opponents here, is the right to exclude use by other people. I suggest that --

QUESTION: Well, let me just simplify. In the whole history of Florida, has there ever been a State judgment granting relief for patent infringement?

MR. GLOGAU: I'm not aware that any case like that has ever been brought, Your Honor, but clearly the Florida Supreme Court said that that remedy is available.

QUESTION: How many times has Florida infringed patents as far as we know, and infringed them intentionally, which I would assume would have to be a condition for a taking? Can you have an unintentional taking?

MR. GLOGAU: Well, I -- I presume you could.

QUESTION: Is that right? You could violate -- violate the --

MR. GLOGAU: Well, no, no. I'll take that one back.

QUESTION: -- Takings Clause by a negligent act?

MR. GLOGAU: It can only be a taking -- a negligent act by a -- a State --

QUESTION: So, how many times to your knowledge has Florida intentionally violated somebody's patent?

MR. GLOGAU: Never.

QUESTION: But you're not suggesting --

MR. GLOGAU: Well --

QUESTION: -- that intent is an element of patent infringement. You're not suggesting that.

MR. GLOGAU: Intent is an element of patent infringement? I'm not aware that it is.

QUESTION: It's an element of the takings claim, however. It's an element of the takings claim.

QUESTION: Which means that the Florida takings remedy would not be coextensive with the patent infringement remedy.

MR. GLOGAU: Well, it's not coextensive, but that doesn't mean it denies due process, Your Honor.

QUESTION: Right, but neither -- neither can the

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-- the use of -- of section 5 of the Fourteenth Amendment extend to unintentional takings. I mean, the Federal remedy is no -- is no better than the State remedy in that regard.

MR. GLOGAU: Well, and indeed, the Federal remedy for patent infringement is exactly congruent to the remedy I'm suggesting exists in the State law.

QUESTION: Once you notify the alleged infringer that the infringer is infringing on your patent, then one can't -- and the infringer continues, one can't claim that the action is unintentional at that point.

MR. GLOGAU: Well, Your Honor, at that point you go to patent counsel and get an opinion, and that's how patent -- patent lawsuits progress.

QUESTION: Whatever. One can't say, oh, I just didn't know that this patent was out there. I was acting unintentionally. You're acting at that point intentionally. You may think that you're not in violation or that it's a question that the court will set out, but anyway, you are acting deliberately with the knowledge that someone has said, you're violating my patent.

MR. GLOGAU: Yes, I would concede that, Your Honor, that -- but -- but the problem is that -- that just because the State is accused of infringing a patent, and even let's assume for the sake of argument, that the

patent is infringed, that is not a constitutional wrong. And -- and therefore, the underpinnings for section 5 legislation are missing.

QUESTION: Well, you -- one part was the absence of deliberate conduct. Just discuss that.

But another question I have about this takings remedy which you say is what -- how Florida would response to the due process issue, I was not aware that patents were subject to the eminent domain power. Are they?

MR. GLOGAU: Your Honor, it's not necessary for an inverse condemnation case to be prosecuted, that the entity being accused of the taking have the power of eminent domain. For example, in Florida, if the Department of Environmental Protection denies a dredge and fill permit to a property owner and that denies him all viable use of his property, that is inverse condemnation, but the Department does not have the power of eminent domain.

QUESTION: I thought answer then is that you can't do it, State. You can't stop somebody from doing this if you don't have the power to take.

MR. GLOGAU: Well, you could -- in -- in the patent infringement situation, if you're looking for prospective relief to stop the infringement, you have an Ex parte Young -- you have an Ex parte Young --

QUESTION: You said the State remedy would be compensation for the State's exercise of eminent domain.

MR. GLOGAU: Compensation for the State's exercise of its police power or -- or whatever power --

QUESTION: Well, you said it would be a takings. The State can take. That's the premise of -- I thought of the eminent domain power. The State can take, but it's got to pay for it.

MR. GLOGAU: That's correct. The Constitution does not prohibit the taking --

QUESTION: And here the question is, can the State take? Is the patent, which is governed by Federal law -- it's a property, the bounds of which are determined by Federal law. Is there any authority at all for a State to take that?

MR. GLOGAU: Well, to the extent that the Tenth Amendment prevents Congress from taking away powers that are reserved to the States, I think the general power of eminent domain would apply.

The other thing is that in --

QUESTION: I don't understand the Tenth Amendment because I thought right in the Constitution there was the Patent Clause, that that was going to be given over to Congress would not reserved -- we don't get into the reserved powers to the State when we're dealing

with patents, do we?

MR. GLOGAU: Well, that's the -- the power to issue the patent certainly is exclusively within the Federal Government. The States are not permitted to issue patents. But the -- the likening the patent to a patent for land, as the -- my opponents here today do, if a -- the Federal Government issues a patent for land to -- to Whiteacre, under their theory and under the theory you're espousing right now, it would seem that the State's eminent domain power would not reach that as well because it's -- it's a -- a patent granted by the Federal Government. And I think that that -- that goes too far.

Clearly the -- the State can, if it's in the public interest, if it's for a public use and compensation is provided, that the State -- for example, if somebody invented a -- a mechanism for tracking hurricanes --

QUESTION: So, are you changing the answer now and saying that, yes, a State can take a patent?

MR. GLOGAU: Well, I think that the State --

QUESTION: Suppose some State says, gee, we really like this patent, so we want to have it. So, we'll condemn it and we'll pay for it.

MR. GLOGAU: I don't think that there's any -- I don't think there's any limitation inherent in Federal law that prevents the taking of the patent. No, I don't. I

think that it can take -- be taken.

QUESTION: Mr. Glogau, what do you -- what do you say to this argument? I mean, your -- as I understand it, your -- your principal point is or a principal point is that assuming there's property here, that's not enough to -- to ground an exercise of Fourteenth Amendment, section 5 jurisdiction. There's got to be some showing that in the absence of this legislation, there will be an infringement on that property without due process of law, and you're saying there's got to be, in effect, a due process component undergirding the Federal statute.

MR. GLOGAU: Well, that --

QUESTION: Am I right? That's your argument.

MR. GLOGAU: That's absolutely correct.

QUESTION: All right.

What -- what do you say to the argument that the very nature of a patent requires a uniform remedy, that the very -- the very consignment, if you will, of a -- of a Federal patentee to remedies in Florida for a State of Florida violation, Montana for a Montana violation, California for a California violation is itself, in effect, a -- a denial of the right that comes with the very concept of a Federal patent, given the emphasis that was -- was obviously placed on -- exclusive emphasis on Federal law in the Constitution? And therefore, simply to

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consign patent holders to the seriatim remedies of States, which may differ, which certainly come through a different court system -- they won't come through CA Fed. -- is -- is tantamount to a denial to due process, and therefore, the -- the demand for uniformity is sufficient to satisfy the due process component of section 5. What's your response to that argument?

MR. GLOGAU: The uniformity has several components, Your Honor. The first one is a uniformity of the interpretation of the law itself, and I think that a doctrine based on -- on the inability of the States to apply the precedents of the Federal circuit is -- is -- runs counter to basic concept of --

QUESTION: Well, but the Federal circuit is no longer going to get a crack at this -- at the cases that come out of the State courts.

MR. GLOGAU: But if -- if there is a --

QUESTION: But I suppose this Court would.

MR. GLOGAU: That's exactly --

QUESTION: I -- I assume that we sit to require uniform interpretation of Federal law, do we not?

MR. GLOGAU: That is one of the functions of this Court --

QUESTION: And is it also --

QUESTION: Mr. Glogau --

QUESTION: -- is it also not the case that Congress apparently thought that that was an insufficient means to the uniformity that it was constitutionally capable of mandating, and -- and it expressed this sense of insufficiency by creating the -- the present appellate scheme by which everything goes through the Federal circuit?

MR. GLOGAU: The --

QUESTION: Isn't that also true?

MR. GLOGAU: The Federal circuit was not created until fairly recently in the 200-year history of patents.

QUESTION: Well, it has been created -- it has been created now, and doesn't it express that judgment of Congress?

MR. GLOGAU: If -- if that judgment is correct, that the uniformity that --

QUESTION: Well, isn't that the judgment of Congress?

MR. GLOGAU: But that's a legislative preference, Your Honor, because --

QUESTION: Well, it's a legislative preference I presume in -- in aid of the -- the power given to the National Government under the Patent Clause.

MR. GLOGAU: If -- if --

QUESTION: And -- and it does express that

preference, doesn't it?

MR. GLOGAU: If the Federal circuit is necessary --

QUESTION: Doesn't it?

MR. GLOGAU: If the Federal circuit is necessary to grant due process to patent holders, then what you're suggesting is that from 1790 until the --

QUESTION: The question is not whether it is an absolute necessity, and I think it's -- I think you -- you concede this in your argument. The question is whether it is a reasonable means to the accomplishment or to the avoidance, perhaps I should say, of a due process problem. And I assume the -- the judgment of the Congress in creating the present appellate scheme was that it was a means, a reasonable means, to provide the uniformity that was thought desirable under the Patent Clause. And if that judgment is a sound one, then I suppose it is an equally sound judgment that that is a reasonable means to avoid the due process problem of, in effect, seriatim standards which are difficult for this Court to resolve.

MR. GLOGAU: Your --

QUESTION: Isn't that a fair application of section 5?

MR. GLOGAU: No, I don't think so because the differences in remedies between the Federal remedy and a

State remedy has never been in this Court's jurisprudence a -- a due process question.

QUESTION: Well, we've never had a -- a case under the Patent Clause in which the very premise of the exercise of any congressional power is that there should be, in effect, an exclusive Federal scheme for the sake of uniformity.

MR. GLOGAU: Well, Your Honor, the basis -- extending that argument, the basis that Congress used to -- to enact this abrogation of State sovereign immunity is, in effect, that they felt that the States needed to be treated like everyone else. And that's exactly what the Eleventh Amendment is -- is -- is there for.

QUESTION: Well, now, you -- you don't concede that the -- that the implication of the Patent Clause is that you or that anyone could reasonably find, including Congress, that the implication of the Patent Clause is that you must have a uniform Federal remedy in Federal courts because the very Congress that enacted the -- the very convention that -- that put in the -- the Patent Clause also did not put in a provision for Federal courts.

MR. GLOGAU: That's correct. It also did not -

-

QUESTION: It was envisioned in 1789 that you could -- you could have a patent law without having

Federal courts passing upon the Federal patent law, except at the Supreme Court stage.

MR. GLOGAU: That's correct.

QUESTION: And the question I suppose is whether that judgment in 1789 is now a sound judgment and whether Congress has the power to revise it for the sake of uniformity. Is it your position that Congress does not have the power to make that judgment, that Congress does not have the power to make the judgment that a uniform system, including a uniform judicial scheme for providing uniformity in patent law -- that is beyond the power of Congress? Is that your position?

MR. GLOGAU: Under -- under Article I, under the Patent Clause, Congress can make that judgment for everyone except the States because the Eleventh Amendment prohibits them under Seminole Tribe.

QUESTION: So, the answer is when the States are involved, Congress does not have the power by any means, including section 5, to prescribe a scheme for uniformity in the interpretation and litigation of patent law.

MR. GLOGAU: That's correct because the States' infringement of patents has never been shown to be a constitutional due process violation.

QUESTION: No, but suppose -- suppose --

MR. GLOGAU: In fact --

QUESTION: Mr. Glogau, this act was passed in 1992, wasn't it?

MR. GLOGAU: That's correct.

QUESTION: Do you know how many suits have been brought against States under it for patent infringement?

MR. GLOGAU: I'm sorry. I do not, Chief Justice.

QUESTION: In fact, the uniformity premise is -- is not entirely accurate, is it, because what Congress has done is subjected the States to triple damages, to attorney's fees, and it doesn't even subject the Federal Government to that. The Federal Government need pay only a reasonable royalty.

MR. GLOGAU: That's correct. 28 U.S.C. 1498 is the answer to the -- one of the answers to the uniformity thing -- question, and that is that it's not --

QUESTION: So, Congress bracketed the States as a matter of substantive law?

QUESTION: -- his answer.

QUESTION: I'm sorry.

MR. GLOGAU: I'm sorry.

It already is not uniform. 1498 gives the Federal -- gives you a different remedy against the Federal Government, and I suggest that if someone has a patent and it's infringed in California, a Federal

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district court in California might award a certain amount of damages. If the same patent is infringed in New York, the Federal district court of New York might come out with a different amount of damages.

So, the whole -- and -- and, of course, with this Court's ability to review ultimately the consistency of the State law -- of the State decisions with the Federal circuits' precedents, the uniformity is sufficient.

QUESTION: May I ask if it would be adequate in your view of the Eleventh Amendment then if Congress treated the States the same way as it treated the United States? In other words, whatever the section was, 14 --

MR. GLOGAU: 1498.

QUESTION: If that -- if they said, States, you're liable, but just the way the United States is, no more, no less.

MR. GLOGAU: I would suggest that a remedy like that would be more congruent with any perceived harm, but again I -- I --

QUESTION: Well, as far as the Eleventh Amendment is concerned --

MR. GLOGAU: -- do not concede that there is a -- a constitutional basis for section 5 legislation here because there is no due process violation.

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QUESTION: Suppose that -- that what I read is true, that -- that the future lies in intellectual property, the economy's future. A lot of that is connected with learning. A lot of learning involves schools, and a lot of schools are State entities.

Now, are you saying that if we go to China or all these other countries and tell them, you know, you need a speedy, effective patent, copyright, trademark, and other intellectual property remedy. And they say, do you have one in the United States? And Congress is required by the Constitution to answer that question no. Is -- is that -- I mean, is that your view of the Constitution?

MR. GLOGAU: My view of the --

QUESTION: I mean, it sounds as if it is, and if that's what it is, that's what it is. But obviously, I'd like you to say something to reassure me that what I've just said isn't going to happen.

MR. GLOGAU: Well, my view of the Constitution is that the Eleventh Amendment prohibits an -- a -- an act like this. The -- the underpinning assumptions that are used here is that, first of all, that States are going to be rogue patent and copyright infringers out there.

QUESTION: No, no, no. They won't. We all know there are a lot of difficult questions in patent and copyright law.

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MR. GLOGAU: Well, that --

QUESTION: And we also know that people need security that their intellectual property won't be infringed. So, I'd say they're the same as anybody else.

MR. GLOGAU: But -- but the point is that the vast majority of the cases that are going to be brought under the Patent Act are not going to be cases against the States. So, for whatever percentage it is, you know, the huge percentage of them, there will be a quick and -- and Federal court remedy for patent infringement. It's only when you address the States that you have to make special --

QUESTION: This is helpful. This is helpful because my thought had been and the underlying premise had been that if you win your case, the same is true for copyright, the same is true for trademark, and the same is true for any new form of intellectual property devised to protect computer programs, protect communications, protect any of these inventions that are now fueling the economy.

Now, if you can tell me that patents are different, you have helped me. But can you?

MR. GLOGAU: To the extent that any of those issues that you've raised constitute property that is protectable under the Fourteenth Amendment, once again unless there's a premise that there's been some

unconstitutional conduct, then the States must be allowed to create their own remedies. Until -- unless and until those remedies are proven to be inadequate, then Congress has not -- is not remedying anything.

The key issue in the City of Boerne case was if Congress is not remedying something, then they don't have authority under section 5, and that is the case here. This is exactly the same as City of Boerne.

QUESTION: Mr. Glogau, is it -- is it unusual that we are -- that the Federal Government is inconvenienced in its dealing with foreign nations because of our Federal system?

MR. GLOGAU: No, I think --

QUESTION: Is -- is that at all unusual? Some -- some other countries will not extradite people because some of our States have the death penalty.

MR. GLOGAU: We also have NAFTA where -- where --

QUESTION: Do we have the ability to eliminate the death penalty, therefore, because it inconveniences our foreign relations?

MR. GLOGAU: No. I think that's a separate issue that has to be dealt with by the -- those responsible for that.

QUESTION: Yes, that is a separate issue, all

right.

(Laughter.)

QUESTION: May I just ask this -- ask this question? You made quite a point of the fact that most patent infringements are by private parties in -- in the economy and the States are not big players in patent infringement. But how do we know that isn't changing and changing very rapidly? And this is a question I wanted to ask you.

One of the amicus briefs says that the State of Florida has some 200 patents now. I assume that's a fairly recent development, or maybe you'll tell me they've been on the books since Florida became a State.

My hunch is that Florida, like States all over the country, are engaging in more and more intellectual activity that leads to patent situations where they apply for patents or they possibly engage in activities that might infringe patents.

What is your view on whether there is change going on in this area?

MR. GLOGAU: Certainly it can't -- I would have to concede that the States are engaging in activities that are involved with intellectual property more today than they were 100 years ago.

However, the fact that the State of Florida has

200 patents -- that's one side of the patent process, and that does not imply -- I don't see any connection between that and the fact that Florida will now all of a sudden be accused of infringing 200 patents.

QUESTION: No, of course not. But the more that any entity, a private business or a State or -- gets involved in this kind of development where there are arguments about invention infringement and so forth, they're bound to be also questions of infringement arising not necessarily deliberately but just that they're an active participant in the intellectual marketplace where all these problems arise.

And that seems to me quite -- quite wrong to assume that the absence of a lot of litigation in the past means that there's just no problem out there because your view basically would say that States -- in fact, they would motivate States to get involved in all sorts of activity because they will always have one free shot. Until somebody gets an injunction against infringement, they can infringe and not have any worry about damage liability.

MR. GLOGAU: No, because if the State denies even the first person due process, then under a -- a proceeding like what happened in the McKesson case, this Court ultimately will be able to say to the State of

Florida, you've denied this person due process. You need to give them a real remedy.

I suggest that the State of Florida, the Supreme Court of Florida has said to patentees who've claimed that the State has infringed on their patents, we will give you a meaningful remedy.

That being the case, our sovereign immunity under the Eleventh Amendment simply can't be abrogated because Congress may think that the State of West Virginia doesn't provide due process, although of course, the record before this Court and before Congress doesn't -- doesn't suggest that. The United States in their brief at footnote 9 admits that takings liability does not require a -- an independent waiver of sovereign immunity. So, I suggest that every State has takings remedies.

And if you look at cases like the Kaiser Aetna case and the Loretto v. Teleprompter case, the doctrines that govern inverse condemnation are flexible enough to address these questions. In Kaiser Aetna --

QUESTION: Are there also State tort remedies? The Florida Supreme Court suggested there may be.

MR. GLOGAU: Yes, there certainly are. Conversion, all sorts of State tort remedies exist.

QUESTION: Let me ask you this. If it should turn out in the future that States are shown to be

violating intellectual property rights of others and that States are not providing adequate State remedies for such violations, would Congress then have power to enact section 5 legislation to remedy that lack?

MR. GLOGAU: Congress would have authority to address the problem under section 5. I suggest that the balancing test then in City of Boerne between the evil and the remedy then comes into play. And I would suggest as a model the -- the preclearance procedures in the Voting Rights Act where at least the Attorney General or someone has to make a determination up front that the State -- this particular State has -- has violated someone's due process rights, and then in that State, maybe the remedy could be provided. But to simply wipe away the Eleventh Amendment immunity of all the States because there may be some pockets of problems is inconsistent.

And if I might, I'd like to reserve the rest of my time.

QUESTION: May I ask just in -- whatever -- a taking, whatever the label is in the State court, all of the law that would be applied to determine whether there was infringement, that would all be Federal. Right?

MR. GLOGAU: Absolutely. The State court could be -- can be relied upon I think to -- to apply the Federal circuit precedent.

QUESTION: Thank you, Mr. Glogau.

Mr. Culligan, we'll hear from you.

ORAL ARGUMENT OF KEVIN J. CULLIGAN

ON BEHALF OF RESPONDENT COLLEGE SAVINGS BANK

MR. CULLIGAN: Mr. Chief Justice, and may it please the Court:

The constitutionality of Congress' enactment of the Patent Remedy Act should be measured by the yardstick the Court employed in Katzenbach against Morgan where the Court looked to the classic formulation of the scope of Congress' authority, articulated by Chief Justice Marshall in McCulloch against Maryland. If the end is legitimate, if it's within the scope of the Constitution, then all means that are appropriate and that are plainly adapted to that end that are not prohibited but consistent with the letter and the spirit of the Constitution are constitutional.

In Morgan, the Court stated that section 5 of the Fourteenth Amendment is correctly viewed as a positive grant of legislative power that authorizes Congress to exercise its discretion in determining whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment.

QUESTION: Don't you think that City of Boerne modified some of the language in Morgan?

MR. CULLIGAN: Yes. In -- in its exposition of the Katzenbach/Morgan standard, the Court explained that the legislation that's the subject of the constitutional challenge must not create or alter any rights and it -- it must be proportional to the legitimate constitutional end that it is designed to prevent.

The standard prescribed in Morgan was recently echoed by the Court in Boerne where the Court observed that it's for Congress in the first instance to determine whether and what legislation is needed and that its conclusions are entitled to much deference.

There should be no question here about the legitimacy or the -- of the end or the objective that underlies the enactment of the Patent Remedy act. Congress enacted the Patent Remedy Act in 1992 to prevent and deter the States from depriving patent owners of the sum total of the property right that's secured by a patent, the right to exclude all others, including the States, and to provide a uniform set of procedures and remedies --

QUESTION: Excuse me. They have no power to do that. I mean, that objective -- you say there can be no doubt about it, but there is doubt about it. That's -- that's an Article I objective that you're now reciting, and there is indeed, not only doubt. Congress can't do

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that. It cannot use that Article I objective as a means of eliminating sovereign immunity.

MR. CULLIGAN: That's correct, Justice Scalia, but what Congress did here was to take a look at the -- at a problem. The ways --

QUESTION: Let's look at the Fourteenth Amendment objective.

MR. CULLIGAN: That's correct. It's a -- it's a --

QUESTION: Okay. Now, what was the problem with the States and the -- in -- in unconstitutional takings of patent rights?

MR. CULLIGAN: Congress considered a number of reported cases that involved State patent -- State-sponsored patent --

QUESTION: How many? As I -- as I recollect, there were -- Congress found that between --

MR. CULLIGAN: Eight I believe.

QUESTION: -- 1887 and 1990 there were eight.

MR. CULLIGAN: That's -- that's correct.

QUESTION: This is a big problem.

(Laughter.)

MR. CULLIGAN: They also considered testimony, Your Honor, that infringement by the States is expected to increase as the States -- the States rush to

commercialize --

QUESTION: Why? Because the States are -- they're going to want to take people's patent rights?

MR. CULLIGAN: They're --

QUESTION: Did they say that intentional violation by the States was going to increase?

MR. CULLIGAN: As -- well, they said that the States are going to become more involved in -- in patents as they --

QUESTION: To be sure, but did they really think that the States were intentionally going to be violating people's patents more and more? Because that's the only thing that's relevant.

MR. CULLIGAN: Well --

QUESTION: Because that's the only Fourteenth Amendment violation, an intentional violation of somebody's patent. And did they really think that was going to be very frequent?

MR. CULLIGAN: In fact -- well, I don't know about the frequency, Your Honor, but they considered that very problem. They heard testimony that if the States are granted Eleventh Amendment immunity, then they will -- it will breed a growing disrespect for patent rights and may lead to situations where the States intentionally disregard the patent rights of others.

QUESTION: May lead? Is that -- is that enough to -- to invoke section 5 of the Fourteenth Amendment?

MR. CULLIGAN: In the context of this case, Your Honor, there's -- there is certainly a basis on which the Congress could have concluded that the due process rights of patent owners --

QUESTION: Are the two of you debating what's in the legislative history?

MR. CULLIGAN: In some measure, Your Honor. And of course -- and of course, this Court held in Boerne that the constitutionality of the act should not be -- be measured by the -- the bounds of the legislative history.

QUESTION: We're not using the legislative history to determine the meaning of the statute, are we, as Justice Stevens often does?

(Laughter.)

MR. CULLIGAN: No, Your Honor. What we're looking for is a constitutional predicate for Congress' enactment of -- of the Patent Remedy Act. And --

QUESTION: Mr. Culligan, do you think that Congress' authority here depends in any way on the fact that Congress under its Article I patent power granted the patent in the first place, or does that have nothing to do with it?

MR. CULLIGAN: I believe that Congress has

authority under section 5 of the Fourteenth Amendment to protect property that's deprived without due process regardless of the origin or the source of the property. The fact it is federally created property here adds certain dimensions to this case, but it's not essential.

QUESTION: So, if Congress had decided that States are really not giving people a square deal on inverse condemnation cases, or the State may occupy something without having condemned it and they figure maybe the damages aren't enough, Congress could have done that too.

MR. CULLIGAN: Yes, I believe that's within their power under section 5 of the Fourteenth Amendment.

Patents are very unique and a special kind of property. They -- in an attempt to carry out --

QUESTION: If you say -- if you take that position, then you don't have to take the broad position that anything Congress likes, it can make a Federal property right and, therefore, enforce it under section 5. I thought your argument was homed in on the special nature of a patent.

MR. CULLIGAN: I believe that this is not a case at the fringe. This Court has recognized, in decisions extending back over 100 years, that patents are property, that takings by the United States Government constitute a

constitutionally cognizable deprivation.

So, I don't know what the limits of -- of Congress's power to create property are. I do know that in this case, with respect to patents, I know with respect to copyrights, that Congress has the power to create that property, and under section 5 of the Fourteenth Amendment, to protect them by abrogating the sovereign immunity of the States when the States -- when there's a significant likelihood that the States will deprive persons of that property without due process of law.

QUESTION: There is no argument, I guess, here that the power arises under the Patent Clause.

MR. CULLIGAN: The power that arises under the Patent Clause is -- grants Congress authority to create a patent system that, in exchange for the disclosure of the inventive contribution, the inventor gets a limited right --

QUESTION: No, no. I understand that. I just wondered -- no, but you haven't made this argument, so I assume it's not -- there's a reason that just -- the Patent Clause would give Congress the power to create a system of effective remedies against all violators, including the State. But that's not an argument you're making --

MR. CULLIGAN: No, I have not -- I have not made

that argument.

QUESTION: -- so there probably --

MR. CULLIGAN: But the -- the very special nature of the patents gives -- gives rise to an analogous argument, and that is the State's arguments are predicated on the notion that they have the power and the right to deprive persons of their patent property. And I don't understand where the source of that power comes from, and I know that they don't have the right because the patent grants to the patent owner the right to exclude all others, including the States. The question of a remedy that may be available in the Federal court is another question that we have to address under section 5 of the Fourteenth Amendment.

QUESTION: Well, they may not have the right to do it, but it's a separate question of whether their violation of that right is a constitutional violation. And as I understand that State's position, it is that it is only a constitutional violation where there is not only a deprivation, but also a failure to provide adequate compensation because that's the way the Fourteenth Amendment reads. A taking is not unconstitutional. It's only a taking where you fail to provide adequate compensation. And it seems to me a reasonable position.

MR. CULLIGAN: Two responses to that, Justice

Scalia.

First of all, when a State exercises its power of eminent domain over land, it has the right to condemn the property so long as it provides just compensation in accordance with the demands of the Fifth Amendment, incorporated through the Fourteenth. But the State has no sovereign power over -- over a patent and no right to take it. The States are excluded by the patent --

QUESTION: Are you sure of that, Mr. Culligan? Supposing Florida had a big botanical enterprise, as it might have, of tropical plants, and to -- to work with that or to -- they felt it was necessary to condemn a botanical patent that had issued by the Government. Are you saying that a State could not condemn that sort of property?

MR. CULLIGAN: Your Honor, as -- as I understand the nature of the patent right, the answer is no.

QUESTION: And what's -- what's the authority for that?

MR. CULLIGAN: The Supremacy Clause.

QUESTION: Well, I'm sure if Congress said, when it issued a patent, that no State shall have the right to condemn it, it could do that under Article I, but Congress hasn't done that.

MR. CULLIGAN: But the States have always

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appreciated that they are bound not to deprive persons of -- of their -- their sole right to exclude. The only question is whether there's a remedy available for it in the Federal court.

QUESTION: Why is this different from Federal land patents? I mean, the Federal Government issued -- has issued many patents for land to private citizens. Once they have that land, pursuant to a Federal patent, is that land not condemnable?

MR. CULLIGAN: In -- in the context of land, I believe the answer is yes, Justice Scalia. But here we're talking about a very unique patent property right, and if the only right --

QUESTION: It's the one involved in your case.

MR. CULLIGAN: That's correct.

(Laughter.)

QUESTION: It's not only that --

MR. CULLIGAN: And ours -- and ours is a very --

QUESTION: -- but if one State could condemn a patent, all 50 States could, but all 50 States can't condemn a piece of land.

MR. CULLIGAN: This Court held in 1933 in -- in the Dubilier Condenser Corporation case that, quote, the only value that a patent has is the right it extends to

the patentee to exclude all others from making, using, or selling the invention for a certain period of years. A patent that is dedicated to the public is virtually the same as the patent that has expired.

If each of the 50 States has the right to condemn and take and dedicate to their respective publics the patent -- the exclusivity that's guaranteed the patent owner, there is no more patent right. That patent -- that patent has been taken, vitiated, and -- and destroyed.

QUESTION: Well, that may well be that they cannot take away without sort of distorting the patent right, the right to exclude others, but they can take away the exclusivity insofar as it applies to them. And that wouldn't create any -- any terrible inconvenience. Each State might condemn the same botanical patent insofar as use by that State is concerned.

MR. CULLIGAN: If one State condemns a patent right, it is the private patent owner of the right to exclusively license to someone else.

QUESTION: No, no, no, no. That's not what the State says. The State simply says, we're taking -- it's important for us to use this -- this botanical right. We need it. You won't give it to us. We're going to -- we're going to assert the right to use it without your permission. We're condemning that aspect, that -- that

stick in your bundle of patent rights. Why couldn't every State do that?

MR. CULLIGAN: If they did, Your Honor, it's -- we're back to Dubilier. The patent would be dedicated to the public, and it's no patent at all. The only thing that you would have left is the right to license to someone else --

QUESTION: There would be 50 States who would have a right to use it without paying the patent owner. Anybody else who wanted to use it would have to pay the patent owner. And as to those 50 States who have claimed the right to use it without his consent, they'd have to pay him.

MR. CULLIGAN: The State's ability to use the -- the patent at what is essentially way below market rate, that is, zero, for no compensation, would greatly diminish the ability of someone to license -- license the patent --

QUESTION: -- for zero? I mean, there -- there would be a condemnation action in the State, and -- and the patent owner would get a reasonable return.

MR. CULLIGAN: This Court in -- in Bonito Boats unanimously stated that one of the fundamental purposes behind the Patent Clause is to promote national uniformity in the realm of intellectual property. Since 1800,

Congress has lodged exclusive jurisdiction of actions arising under the patent laws in the Federal courts. This allowed for the development of the uniform body of law to resolve the constant tension that we're talking about here between private rights and public access.

QUESTION: Well, let's assume all the 50 States did this and you had suits in Federal court. Couldn't you -- wouldn't you get different monetary awards in each of the 50 States?

MR. CULLIGAN: In the Federal courts, Your Honor?

QUESTION: Yes.

MR. CULLIGAN: It's -- that's conceivable, but of course --

QUESTION: But the law would always be uniformly interpreted because --

MR. CULLIGAN: That -- that --

QUESTION: -- we would review it here.

MR. CULLIGAN: That's correct.

QUESTION: And that would be the same thing in the State courts.

MR. CULLIGAN: No, Your Honor, because in the State courts, they would not be bound by the decisions of the Federal circuit. Each State would be free to decide what remedies were appropriate, what process was due, what

factors should be considered in determining the compensation. They could also apply differing standards of -- of patent validity to determine whether there was any property to take.

QUESTION: Don't you think this Court would have the power of review and to issue rulings on what the law is so that it would be uniform?

MR. CULLIGAN: Yes, Your Honor, and what we would -- what we would see is -- is 50 to 100 years of litigation with the same -- with questions coming back to this Court time after time from the 50 States.

This Court has held and recognized repeatedly that it's for Congress in the first instance to decide what remedies are appropriate to protect property from due process violations.

QUESTION: It's remarkable that the Framers did not envision this as a problem when they adopted the -- the Patent Clause because they adopted a Patent Clause without adopting a provision for Federal -- for Federal courts.

MR. CULLIGAN: That --

QUESTION: It's perfectly optional whether there would be Federal courts or not.

MR. CULLIGAN: May I respond to the question?

QUESTION: Yes.

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MR. CULLIGAN: Circumstances have changed, Justice Scalia. This Court recognized that in Bonito Boats.

QUESTION: But the Constitution hasn't.

MR. CULLIGAN: Thank you.

(Laughter.)

QUESTION: Mr. Waxman, we'll hear from you.

ORAL ARGUMENT OF SETH P. WAXMAN

ON BEHALF OF THE UNITED STATES

MR. WAXMAN: Mr. Chief Justice, and may it please the Court:

In this case, Congress heard testimony -- and it's reflected in one hearing and -- and two -- two reports, a House committee report and a Senate committee report -- that in recent years State universities and other instrumentalities have, to an unprecedented extent, become active in commercial technology development; that as a consequence, allegations of infringement by these entities have risen and are projected to increase dramatically; and that State laws, which vary widely, are in many instances inadequate to prevent or remedy infringement by a State and thus to secure due process of law.

Now --

QUESTION: Mr. Waxman, these infringements that

Congress was concerned about, do we have any reason to think that they were intentional infringements?

MR. WAXMAN: We absolutely do, and the reason is that the nature -- and I think this may be something that -- I -- I -- as a non-patent lawyer, I wasn't aware of until I got involved in this case. The intentional infringement is the means by which our system tests the validity of a patent, that is, there is intentional infringement, and intentional conduct and willful infringement are different things. But the -- the mine-run of infringement cases are cases where someone says, I know you have a patent, I don't think your patent is valid. I am -- the means by which I obtain a judicial resolution of that question is by infringement. That's how the system works.

Now, what the States heard -- there is no question, I submit, that the remedy Congress chose here does, quote, secure due process within the meaning of section 5. The question is what --

QUESTION: General Waxman, what was the theory on which Congress thought that the States pleading sovereign immunity to a patent infringement denied the patent owner due process?

MR. WAXMAN: Well, I think, Justice Rehnquist, that goes to the question, obviously, of what is due

process. We're not here arguing that an act of infringement constitutes a substantive due process violation.

QUESTION: Well, then what are you -- what are you arguing?

MR. WAXMAN: The -- the -- ordinarily the deprivation of recognized property, and I will later --

QUESTION: But you say deprivation, but a -- you're saying a plea of sovereign immunity on the part of the State is the same thing as the State actually reaching out and taking the whole patent?

MR. WAXMAN: Well, the -- the patent right is defined by Congress as a result of the direction in the Constitution that Congress secure the exclusive right for inventors, and that's what the patent law provides. It gives the patent owner, for a limited period of time, a right to exclude -- the exclusive use of this devise and when somebody infringes that, that is, by definition, that's the way that we characterize a non-authorized use of a patented device.

Now, we will -- we concede, certainly for purposes of this case, that the due process violation is not complete in the absence of a showing that there is not an effective pre- or post-deprivation remedy. Ordinarily -- and in this respect, we think that the very unique

nature of patents says a lot about what the due process requires by way of remedy, either within the States or nationally.

The -- we're dealing --

QUESTION: What if -- what if, say, a State police officer at some emergency scene -- he finds himself without a car, so he simply commandeers the car of a private owner and says, I've got to take this for an hour and I'll give it back to you? Now, has he deprived that person of due process?

MR. WAXMAN: He -- under your scenario I think the -- any court would say no because there has been a de minimis deprivation of property. I mean, I don't know if it were --

QUESTION: What if he takes -- takes it for 3 days?

MR. WAXMAN: Well, the question then would be, how important is the property right here, that is, how much did the owner lose, and did the State provide a mechanism for remedying that?

Now, ordinarily the deprivation of property requires -- we know from many of this Court's opinions -- a pre-deprivation remedy before the State can take property from you. That is not available in these cases, and it is one of the many respects in which patents are a

particularly unique form of property.

Another is that patents are a form of property that have an extremely limited life span of value. They're granted for 20 years, but as a practical matter and as Congress heard in the hearings I've mentioned, the -- the galloping pace of technology makes the useful life of these inventions very, very short. And --

QUESTION: Well, General Waxman, certainly in theory a State could provide adequate remedies for violation and could, indeed, apply correctly Federal patent law in doing so, could they not?

MR. WAXMAN: I think it's not only true in theory, Justice O'Connor, but if the Court reads McKesson and Reich v. Collins and General Oil v. Crane the way I read them, or at least the way I advocated in Alden v. Maine, I think a good argument can be made that if Congress provided no remedy at all, the States would be required by the Constitution to provide an adequate post-deprivation remedy.

But the question in this case, I respectfully submit, is whether or not what Congress did -- in 1992, Congress heard there was a problem. It was emerging. It was unique. It was getting worse, and that for whatever reasons -- one of them may be that Congress for 200 years has -- has made patent remedies an exclusive Federal cause

of action. For whatever reasons, the available procedures in States were very often inadequate to provide due process. And so, Congress sought to deal with that problem.

And the question is whether the method they chose is, quote, appropriate legislation within the meaning of section 5. We submit that it is for three reasons.

First, as I said, there's no doubt, based on the record, that Congress could have reasonably concluded that many States had inadequate procedures, but more important, in choosing a means to prevent due process violations, which is the purpose of section 5 legislation, Congress could properly take into account first the unique and fragile nature of the patent right; second, the benefits for what over 200 years the -- has been a system of exclusively Federal court enforcement; and third -- and I think perhaps most important -- the threat to patent owners and to the patent system that altering this would produce. There's no doubt that --

QUESTION: Could I come back to your first point before you get too far into the -- because I didn't agree with you. You said there's no doubt that Congress could reasonably find -- could reasonably have found that the States did not provide adequate remedies.

Now, I would agree with you if what you mean by adequate is adequate for purposes of Article I, that is, remedies that would not achieve the -- the fullest, most uniform, most facile protection of the patent right that they would like to achieve under Article I. But I think what you have to mean is adequate for purposes of the Takings Clause, and I --

MR. WAXMAN: That's -- that is exactly what I mean.

QUESTION: I don't know what -- what --

MR. WAXMAN: If -- if you --

QUESTION: -- evidence there is for that.

MR. WAXMAN: If you will look in the -- in the -- the House hearing and the House report, you will find instances -- a conclusion by the House report that States have frequently infringed patents and refused to provide any compensation whatsoever, and if you -- let me just finish my answer before you tell me why I'm wrong -- inadequate again.

(Laughter.)

MR. WAXMAN: If -- if you look at the briefs and the appendices of the very helpful, I think, and instructive amicus briefs that have been filed on both sides of these cases -- of this case, the amicus brief of the States filed by the State of Ohio and the amicus brief

of the Railroad Association filed in support of us, it outlines what State procedures do and don't exist. There are States that never waive their sovereign immunity for anything. There are States that never waive sovereign immunity for tort claims of any sort. There are States that -- there's almost -- there's almost a variance of 50 different systems.

Now, what I'm saying is that Congress could not have concluded that there's no way to fix this system in the States, but Congress concluded, taking a snapshot at it -- what it was told was an emerging and very serious problem of what existed at the time. Now, there is no doubt, I think adverting to something that Justice O'Connor had -- had asked earlier, Congress could have said, okay, we're going to solve this by a remedy like the Tax Injunction Act, which is, you know, go into the States. If the States don't provide adequate due process, then you have a right in Federal court.

But the -- the test under section 5 for what is appropriate legislation is not a least restrictive means test or least restrictive alternative test. It's the opposite. This Court has said in Boerne that it is for Congress to determine in the first instance whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment, and its conclusions are entitled to

much deference.

It could and legitimately did take into account the way the system, our national system, of Federal court enforcement has worked and what it has done to further the constitutional aims reflected in the Patent and Copyright Clause in deciding how to remedy this next problem. If it was required to choose the means that was most protective of the States, there was a lesser means it could have chosen, but we submit that --

QUESTION: You're dragging Article I back in again. I don't know that it's -- that it's proper in deciding whether Congress was within the range of relative -- you know, of appropriate means to bring in the factors you say, that this is a patent right and the distinctive qualities and all of that. That's all Article I --

MR. WAXMAN: No. That has -- well, Congress -- let it -- let me be clear. I am not attempting to trespass on Article I or trade on Article I for purposes of determining what is appropriate legislation. But we know from dozens of this Court's opinions that what process is due depends on the nature of the right, and the nature of this right happens to be derived from Article I and the -- the Patent and Copyright Clause of the Constitution. And because appropriate legislation does not need to be the least restrictive alternative

legislation, Congress can appropriately take account of the way the system works, what the Constitution envisioned and what has become a -- a system of expeditious determination of rights.

And let me just mention one other thing before my time is up about the unique nature of this right. One of the really fascinating things about patent rights is how asymmetrical the legal protections are. A patent owner is very, very vulnerable because, due to the application of rules like offensive collateral estoppel -- and this goes to another point that Justice O'Connor was raising -- a patent owner only has to lose once before he is precluded in the courts of another State by principles of offensive collateral estoppel from trying to litigate it again, whereas the opposite is not true. And what that dictates, in terms of protecting and preserving the nature of this paradigmatic intellectual property right, is a system where there is -- where there are remedies that are well known, expeditious, and where there is an immediate, essentially, appeal to one appellate authority that will finally render a decision.

Now, you can say, as you -- as you did before -- and I know you're about to --

(Laughter.)

MR. WAXMAN: -- that when Congress -- when

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Congress -- you know, when the Constitution was adopted by the Framers, they put in the Patent and Copyright Clause, but they didn't require that lower Federal courts be -- be created.

But I think what that reflects is the very beginning of what has been a long trend of what Congress has required -- has thought to be necessary in order to make efficacious the system that the Constitution plainly wanted.

QUESTION: In determining the proportionality under the Boerne test of the Article V legislation, should we refer properly to the rules for when the United States itself violates a patent, i.e., no punitive damages, royalties only, not even compensatory damages?

MR. WAXMAN: I think it's -- I think it's --

QUESTION: Is that proper for us to look at in determining the proportionality of the congressional response?

MR. WAXMAN: It is very proper for you to look at so long as you understand that we are essentially comparing apples versus oranges, which is that the substantive right that is created by Congress is not a right to exclude the United States. It is a right to exclude the States and other persons. And that is the reason why the remedies are not coterminous.

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And I also would say that it would be -- it would be inappropriate for the Court to exaggerate the differences between the State -- between the Federal remedy 1498 and the remedies in the patent laws. In both instances, the measure of compensation, in all but exceptional cases, is sufficient compensation or some appropriate terms. In the Federal statute, attorney's fees are, as a general matter, required; whereas, with respect to all others, they're only applicable in exceptional cases. And treble damages, which is not applicable to the United States -- may I finish my sentence?

QUESTION: Yes. No. Your time has expired.

Mr. Glogau, you have 3 minutes remaining.

REBUTTAL ARGUMENT OF JONATHAN A. GLOGAU

ON BEHALF OF THE PETITIONER

MR. GLOGAU: Thank you, Mr. Chief Justice.

With all due respect to General Waxman, it seems that they are taking an inconsistent position here. In their brief, on page 16 and 17, the United States cites to several cases that say, for example, patents are property and entitled to the same rights and sanctions as other property. Again, for the -- by the laws of the United States, the rights of a party under a patent are his private property.

Similarly, College Savings Bank cites at page 20 of their -- of their brief, under the Court's holding in Consolidated Fruit-Jar, a patent for an invention is as much property as a patent for land, an uncompensated, State-sponsored violation of a patent owner's right to exclude also must constitute a taking.

After taking these positions, to assert that the common law remedies available in the State courts for takings torts or whatever are a violation of due process just seems inconsistent to me.

In James v. Campbell -- it's a Federal case from the late 1800's -- said in fact that the infringing of a patent by the Federal Government is a taking. So, once again, to assert that the infringement by the State cannot be remedied by an adequate State taking remedy is simply inconsistent.

QUESTION: Mr. Glogau, with respect to the remedy, we heard a case, the Alden case from Maine, and there one answer was the United States could always sue because there is no Eleventh Amendment immunity in that case. But I take it in the patent picture, there isn't that possibility for enforcement, is there?

MR. GLOGAU: Oh, I disagree. The way -- the way the way the statute is written today, that is true, but the statute could be written to give the United States the

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ability to enforce a patent. I don't -- I don't see why Congress couldn't write that.

QUESTION: Well, there is -- there's an administrative set-up in the Secretary of Labor to enforce the Fair Labor Standards Act.

MR. GLOGAU: That's correct.

QUESTION: So, there's -- but there's nothing like that, as far as I know, for -- the Federal Government has no agency that brings suits to enforce private patents.

MR. GLOGAU: But again, I agree. The statute is not written that way, but there certainly is a huge Patent and Trademark Office out there by the airport, and they employ a lot of people. Congress could certainly create and give them enough money to enforce the patents. That is certainly within Congress' ability because, of course, the United -- the States have no sovereign immunity as against the United States. So, that -- that's a possibility. Whether it's, you know --

QUESTION: Why is that so? It's very basic, but --

MR. GLOGAU: Why is that the United -- that States have no Eleventh Amendment immunity? Because as the Framers indicated in the Plan of the Convention, it's necessary that the States, in creating the Union, had

waived their sovereign immunity with respect to suits by the United States, because there has to be someone, some -- some authority that can -- can adjudicate and deal with differences among the States. And that's -- that's the job of the Federal Government.

I'd also say that in terms of applying the Federal circuit patent law precedents, State courts are often called upon to apply Federal law and -- and foreign law, and they -- they certainly have the ability to do that.

But the bottom line, as General Waxman said, Congress -- Congress perceived there to be a problem out there, and maybe there is. But the problem is not of constitutional dimension. The problem may be that the States are going to be involved in patent infringement --

CHIEF JUSTICE REHNQUIST: Thank you, Mr. Glogau.

The case is submitted.

(Whereupon, at 12:11 p.m., the case in the above-entitled matter was submitted.)

CERTIFICATION

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CASE NO: 98-531

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BY: Ilona M. May
(REPORTER)