S. 1835

To restore Federal remedies for violations of intellectual property rights by States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 1999

Mr. Leahy introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To restore Federal remedies for violations of intellectual property rights by States, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CON-
- 4 TENTS.
- 5 (a) SHORT TITLE.—This Act may be cited as the
- 6 "Intellectual Property Protection Restoration Act of
- 7 1999".
- 8 (b) References.—Any reference in this Act to the
- 9 Trademark Act of 1946 shall be a reference to the Act
- 10 entitled "An Act to provide for the registration and protec-

- 1 tion of trade-marks used in commerce, to carry out the
- 2 provisions of certain international conventions, and for
- 3 other purposes", approved July 5, 1946 (15 U.S.C. 1051)
- 4 et seq.).
- 5 (c) Table of Contents for
- 6 this Act is as follows:
 - Sec. 1. Short title; references; table of contents.
 - Sec. 2. Findings and purposes.

TITLE I—STATE PARTICIPATION IN THE FEDERAL INTELLECTUAL PROPERTY SYSTEM

SUBTITLE A—DEFINITIONS

Sec. 101. Definitions.

SUBTITLE B—PROCEDURES FOR STATE PARTICIPATION IN THE FEDERAL INTELLECTUAL PROPERTY SYSTEM

- Sec. 111. Opt-in procedure.
- Sec. 112. Breach of assurance by a State.
- Sec. 113. Consequences of breach of assurance by a State.

SUBTITLE C—ADMINISTRATION OF PROCEDURES FOR STATE PARTICIPATION IN THE FEDERAL INTELLECTUAL PROPERTY SYSTEM

- Sec. 121. Notification by court of State assertion of sovereign immunity.
- Sec. 122. Confirmation by Commissioner of Patents and Trademarks of State assertion of sovereign immunity.
- Sec. 123. Publication by Commissioner of Patents and Trademarks of State assertion of sovereign immunity.
- Sec. 124. Rulemaking authority.

Subtitle D—Amendments to the Federal Intellectual Property Laws

- Sec. 131. Conditions for State participation in the Federal patent system.
- Sec. 132. Conditions for State participation in the Federal plant variety protection system.
- Sec. 133. Conditions for State participation in the Federal copyright system.
- Sec. 134. Conditions for State participation in the Federal mask work system.
- Sec. 135. Conditions for State participation in the Federal original design system.
- Sec. 136. Conditions for State participation in the Federal trademark system.
- Sec. 137. No retroactive effect.

TITLE II—RESTORATION OF PROTECTION FOR FEDERAL INTELLECTUAL PROPERTY RIGHTS

- Sec. 201. Liability of States for patent violations.
- Sec. 202. Liability of States for violation of plant variety protection.

- Sec. 203. Liability of States for copyright violations.
- Sec. 204. Liability of States for mask work violations.
- Sec. 205. Liability of States for original design violations.
- Sec. 206. Liability of States for trademark violations.
- Sec. 207. Rules of construction.

TITLE III—EFFECTIVE DATES

Sec. 301. Effective dates. Sec. 302. Severability.

SEC. 2. FINDINGS AND PURPOSES.

- 2 (a) FINDINGS.—Congress makes the following findings: 3
- 4 (1) The protection of Federal intellectual prop-5 erty rights is of critical importance to the Nation's 6 ability to compete in the global market.
- 7 (2) There is a strong Federal interest in the de-8 velopment of uniform and consistent law regarding 9 Federal intellectual property rights, and in the ful-10 fillment of international treaty obligations that the Federal Government has undertaken.
 - (3) Prior to 1985 and the Supreme Court ruling in Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) (in this section referred to as "Atascadero"), owners of Federal intellectual property rights could fully protect their rights against infringement by States.
 - (4) Following Atascadero, a number of courts held that Federal patent, copyright and trademark laws failed to contain the clear statement of intent to abrogate State sovereign immunity necessary to

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- permit owners of Federal intellectual property rights
 to protect their rights against infringement by
 States.
 - (5) In 1990, Congress passed the Copyright Remedy Clarification Act (Public Law 101–553), to clarify its intent to abrogate State sovereign immunity from suits for infringement of copyrights and exclusive rights in mask works.
 - (6) In 1992, Congress passed the Patent and Plant Variety Protection Remedy Clarification Act (Public Law 102–206) and the Trademark Remedy Clarification Act (Public Law 102–542) to clarify its intent to abrogate State sovereign immunity from suits for infringement of patents, protected plant varieties and trademarks.
 - (7) In 1996, the Supreme Court held in Seminole Tribe of Florida v. Florida, 517 U.S. 44 (1996) (in this section referred to as "Seminole Tribe") that Congress may not abrogate State sovereign immunity under article I of the United States Constitution. Under the Supreme Court decision in Seminole Tribe, the Copyright Remedy Clarification Act, the Patent and Plant Variety Protection Remedy Clarification Act, and the Trademark Remedy Clarification Act could not be sustained under clause 3

- or 8 of section 8 of article I of the United States
 Constitution.
- (8) In 1999, the Supreme Court held in Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank, 119 S. Ct. 2199 (1999) (in this section referred to as "Florida Prepaid") that the Patent and Plant Variety Protection Remedy Clarification Act could not be sustained as legisla-tion enacted to enforce the guarantees of the due process clause of the fourteenth amendment of the United States Constitution.
 - (9) As a result of the Supreme Court's decision in Florida Prepaid, and absent remedial legislation, a patent owner's only remedy under the Federal patent laws against a State infringer of a patent is prospective relief under the doctrine of Ex parte Young, 209 U.S. 123 (1908).
 - (10) On the same day that it decided Florida Prepaid, the Supreme Court in College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board, 119 S. Ct. 2219 (1999) (in this section referred to as "College Savings Bank") extended State sovereign immunity to purely commercial activities of certain State entities.

- 1 (11) The Seminole Tribe, Florida Prepaid and 2 College Savings Bank decisions have the potential 3 to—
 - (A) deprive private intellectual property owners of effective protection for both their Federal intellectual property rights and their constitutional rights under the fifth and fourteenth amendments of the United States Constitution; and
 - (B) compromise the ability of the United States to fulfill its obligations under a variety of international treaties.
 - (12) Article I of the United States Constitution empowers, but does not require, Congress to offer Federal intellectual property protection to any person on such terms as appear reasonable and appropriate to serve the public interest by encouraging scientific and artistic innovation and promoting commerce and fair competition.
 - (13) Congress can best accomplish the public interests described under paragraph (12) by providing clear and certain national rules protecting Federal intellectual property rights that establish a level playing field for everyone, including States.

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- 1 (14) In recent years, States have increasingly
 2 elected to avail themselves of the benefits of the
 3 Federal intellectual property system by obtaining
 4 and enforcing Federal intellectual property rights.
 - (15) Any State should continue to enjoy the benefits of the Federal intellectual property system, if that State accepts the burdens with the benefits.
 - (16) A State should not enjoy the benefits of the Federal intellectual property laws unless it is prepared to have those same laws enforced against that State.
 - (17) Limiting the ability of a State to enjoy the benefits of the Federal intellectual property system will neither prevent the State from providing any services to citizens of that State, nor stop the State from engaging in any commercial activity.
 - (18) If a State waives its sovereign immunity from suit under the Federal intellectual property laws, any constitutional violation resulting from its infringement of a Federal intellectual property right may be remedied in an infringement suit in Federal court.
 - (19) If a State does not waive sovereign immunity with respect to Federal intellectual property laws, it is necessary and appropriate for Congress to

- exercise its power under section 5 of the fourteenth amendment to the United States Constitution to protect the constitutional rights of owners of Federal intellectual property rights, which are property interests protected by the fifth and fourteenth amendments of the United States Constitution.
 - (20) According to the Supreme Court in College Savings Bank, "The hallmark of a protected property interest is the right to exclude others.". Patents, copyrights, and trademarks are constitutionally cognizable species of property because they secure for their owners rights of exclusion against others.
 - (21) A State may not exercise any of the rights conferred by a Federal intellectual property law without the authorization of the right holder, except in the manner and to the extent authorized by such law. In Goldstein v. California, 412 U.S. 546 (1973), the Supreme Court stated "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach.".
 - (22) Because a State engaged in an infringing use of a Federal intellectual property right is acting outside the scope of its sovereign power, such State fails to meet the public use requirement for a taking of property imposed by the fifth amendment of the

- United States Constitution (made applicable to the
 States through the fourteenth amendment).
- 3 (23) According to the Supreme Court in Hawaii 4 Housing Authority v. Midkiff, 467 U.S. 229 (1984), 5 a claim for the taking of property in violation of the 6 public use requirement is ripe at the time of the tak-7 ing.
 - (24) A violation of the Federal intellectual property laws by a State may also constitute an unconstitutional deprivation of property under the due process clause of the fourteenth amendment of the United States Constitution.
 - (25) In order to enforce Federal intellectual property rights against States under the fifth and fourteenth amendments of the United States Constitution, it is appropriate to provide a right to enjoin any continuing or future constitutional violation and a right to recover sufficient damages to make the injured party whole.
 - (26) Violations of the Federal intellectual property laws by States not only impair the constitutional rights of the individual intellectual property owner, but also discourage technological innovation and artistic creation. Moreover, the potential for future violations to go unremedied as a result of State

- sovereign immunity prevents intellectual property owners from securing fair and efficient fees in licensing negotiations.
 - (27) States and instrumentalities of States have been involved in many intellectual property cases. Some States have violated Federal intellectual property rights and the constitutional provisions which protect such rights and have refused to waive their constitutional immunities, thereby securing unfair economic advantages over other States and private entities with whom such States may be in competition.
 - (28) States and instrumentalities of States have become increasingly involved in commerce involving intellectual property rights in recent years, and this trend is likely to continue. As a result, violations of Federal intellectual property rights by States have become increasingly more widespread.
 - (29) It is not practical for Congress to engage in an ongoing particularized inquiry as to which States are violating the United States Constitution at any given time. Accordingly, a national, uniform remedy for constitutional violations is appropriate.
- 24 (b) Purposes.—The purposes of this Act are to—

- (1) provide States an opportunity to participate in the Federal intellectual property system on equal terms with private entities;
 - (2) reaffirm the availability of prospective relief to prevent State officials from violating Federal intellectual property laws, and to allow challenges to assertions by State officials of rights secured under such laws, on the same terms and in the same manner as if such State officials were private parties;
 - (3) provide other Federal remedies to owners of Federal intellectual property rights as against the States, State instrumentalities and State officials, to the maximum extent permitted by the United States Constitution; and
 - (4) abrogate State sovereign immunity in suits alleging violations of Federal intellectual property laws or challenging assertions of Federal intellectual property rights by States to the maximum extent permitted by the United States Constitution, pursuant to Congress's powers under the fifth and four-teenth amendments of the United States Constitution and any other applicable provisions.

TITLE I—STATE PARTICIPATION

2 IN THE FEDERAL INTELLEC-

3 TUAL PROPERTY SYSTEM

4 Subtitle A—Definitions

- 5 SEC. 101. DEFINITIONS.
- 6 In this title:

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- 7 (1)FEDERAL INTELLECTUAL **PROPERTY** 8 LAW.—The term "Federal intellectual property law" 9 means a statute or regulation of the United States 10 that governs the creation or protection of any form 11 of intellectual property, including a patent, protected 12 plant variety, copyright, mask work, original design, 13 trademark, or service mark.
 - (2) FEDERAL INTELLECTUAL PROPERTY RIGHT.—The term "Federal intellectual property right" means any of the rights secured under a Federal intellectual property law.
 - (3) FEDERAL INTELLECTUAL PROPERTY SYSTEM.—The term "Federal intellectual property system" means the system established under the Federal intellectual property laws for protecting and enforcing Federal intellectual property rights, including through the award of damages, injunctions, and declaratory relief.

Subtitle B—Procedures for State

2 Participation in the Federal In-

3 tellectual Property System

- 4 SEC. 111. OPT-IN PROCEDURE.
- 5 (a) IN GENERAL.—No State or any instrumentality
- 6 of that State may acquire a Federal intellectual property
- 7 right unless the State opts into the Federal intellectual
- 8 property system.
- 9 (b) AGREEMENT TO WAIVE SOVEREIGN IMMU-
- 10 NITY.—A State opts into the Federal intellectual property
- 11 system by providing an assurance under the procedures
- 12 established in subtitle D of this title with respect to the
- 13 State's agreement to waive sovereign immunity from suit
- 14 in Federal court in any action against the State or any
- 15 instrumentality or official of that State—
- 16 (1) arising under a Federal intellectual property
- law; or
- 18 (2) seeking a declaration with respect to a Fed-
- 19 eral intellectual property right.
- 20 SEC. 112. BREACH OF ASSURANCE BY A STATE.
- 21 (a) In General.—If a State asserts sovereign immu-
- 22 nity contrary to an assurance provided under the proce-
- 23 dures established in subtitle D of this title, such State
- 24 shall be deemed to have breached such assurance.

| 1 | (b) Assertion of Immunity.—A State asserts sov- |
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| 2 | ereign immunity for purposes of subsection (a) if— |
| 3 | (1) the State or any instrumentality or official |
| 4 | of that State is found to have asserted the State's |
| 5 | sovereign immunity in an action against the State or |
| 6 | any instrumentality or official of that State— |
| 7 | (A) arising under a Federal intellectual |
| 8 | property law; or |
| 9 | (B) seeking a declaration with respect to a |
| 10 | Federal intellectual property right; and |
| 11 | (2) such State, instrumentality, or official does |
| 12 | not, within a period of 60 days after such finding, |
| 13 | withdraw such assertion of immunity and consent to |
| 14 | the continuation or refiling of the action in which |
| 15 | the finding was made. |
| 16 | (c) Effective Date of Breach of Assurance.— |
| 17 | A State shall be deemed to have breached an assurance |
| 18 | on the day after the end of the 60-day period provided |
| 19 | in subsection (b)(2). |
| 20 | SEC. 113. CONSEQUENCES OF BREACH OF ASSURANCE BY A |
| 21 | STATE. |
| 22 | (a) Abandonment of Pending Applications.— |
| 23 | Any application by or on behalf of a State or any instru- |
| 24 | mentality or official of that State for protection arising |
| 25 | under a Federal intellectual property law shall be regarded |

- 1 as abandoned and shall not be subject to revival after the
- 2 date referred to under paragraph (2), if that application—
- 3 (1) contains an assurance provided under the
- 4 procedures established in subtitle D; and
- 5 (2) is pending on the date upon which such 6 State is deemed to have breached an assurance 7 under section 112.
 - (b) Establishment of Defense to Liability.—
- 9 (1) IN GENERAL.—No damages or other mone-10 tary relief shall be awarded in any action to enforce 11 a Federal intellectual property right that is or has 12 been owned by or on behalf of a State or any instru-13 mentality of that State at any time during the 5-14 year period preceding the date upon which such 15 State is deemed to have breached an assurance 16 under section 122.
 - (2) No RETROACTIVE EFFECT.—The defense under paragraph (1) shall not be available in any action to enforce a Federal intellectual property right that was owned by or on behalf of a State or an instrumentality of a State before the effective date of this title.
- 23 (c) One-Year Bar on Acquisition of New 24 Rights.—

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- 1 (1) IN GENERAL.—A State may not opt back
 2 into the Federal intellectual property system under
 3 section 111 during the 1-year period following the
 4 date upon which that State was deemed to have
 5 breached an assurance under section 112.
- 6 (2) New rights unencumbered.—Federal 7 intellectual property rights acquired by or on behalf 8 of a State or any instrumentality or official of that 9 State after the State has opted back into the Fed-10 eral intellectual property system shall be 11 unencumbered by any prior breach of an assurance.

Subtitle C—Administration of Procedures for State Participation in the Federal Intellectual Property System

16 SEC. 121. NOTIFICATION BY COURT OF STATE ASSERTION
17 OF SOVEREIGN IMMUNITY.

Not later than 20 days after any finding by a Federal court that a State or any instrumentality or official of that State has asserted the State's sovereign immunity from suit in that court in an action against the State or any instrumentality or official of that State arising under a Federal intellectual property law, or seeking a declaration with respect to a Federal intellectual property right, the

clerk of the court shall notify the Commissioner of Patents

| 1 | and Trademarks. The clerk shall send with the notification |
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| 2 | a copy of any order, judgment, or written opinion of the |
| 3 | court. |
| 4 | SEC. 122. CONFIRMATION BY COMMISSIONER OF PATENTS |
| 5 | AND TRADEMARKS OF STATE ASSERTION OF |
| 6 | SOVEREIGN IMMUNITY. |
| 7 | Not later than 20 days after receiving a notification |
| 8 | under section 121, the Commissioner of Patents and |
| 9 | Trademarks shall— |
| 10 | (1) forward such notification to the attorney |
| 11 | general of the State whose sovereign immunity has |
| 12 | been found to have been asserted, together with a |
| 13 | copy of this title; and |
| 14 | (2) inquire of the attorney general whether the |
| 15 | State intends to withdraw such assertion of immu- |
| 16 | nity and consent to the continuation or refiling of |
| 17 | the action in which the finding was made within the |
| 18 | 60-day period provided in section 112(b)(2). |
| 19 | SEC. 123. PUBLICATION BY COMMISSIONER OF PATENTS |
| 20 | AND TRADEMARKS OF STATE ASSERTION OF |
| 21 | SOVEREIGN IMMUNITY. |
| 22 | (a) In General.—The Commissioner of Patents and |
| 23 | Trademarks, in consultation with the Secretary of Agri- |
| 24 | culture and the Register of Copyrights, shall publish in |
| 25 | the Federal Register and maintain on the Internet infor- |

- 1 mation concerning the participation of each State in the
- 2 Federal intellectual property system.
- 3 (b) Content of Information.—The information
- 4 under subsection (a) shall include, for each State—
- 5 (1) whether the State's sovereign immunity
- 6 from suit in Federal court has been asserted under
- 7 section 112(b); and
- 8 (2) the name of the case and court in which
- 9 such assertion of immunity was made.
- 10 SEC. 124. RULEMAKING AUTHORITY.
- 11 The Commissioner of Patents and Trademarks may,
- 12 pursuant to section 6 of title 35, United States Code, pro-
- 13 mulgate such rules as necessary to implement the provi-
- 14 sions of this subtitle.

15 Subtitle D—Amendments to the

16 Federal Intellectual Property Laws

- 17 SEC. 131. CONDITIONS FOR STATE PARTICIPATION IN THE
- 18 FEDERAL PATENT SYSTEM.
- 19 (a) Application for Patent.—Section 111 of title
- 20 35, United States Code, is amended by adding at the end
- 21 the following:
- 22 "(c) Application by or on Behalf of a State.—
- 23 When an application for patent or a provisional applica-
- 24 tion for patent is made by or on behalf of a State, an

| 1 | instrumentality of a State, or a State official acting in an |
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| 2 | official capacity, the Commissioner shall require— |
| 3 | "(1) an assurance that, during the pendency of |
| 4 | the application and the term of any patent resulting |
| 5 | from that application, the State's sovereign immu- |
| 6 | nity from suit in Federal court will be waived in any |
| 7 | action against the State or any instrumentality or |
| 8 | official of that State— |
| 9 | "(A) arising under a Federal intellectual |
| 10 | property law; or |
| 11 | "(B) seeking a declaration with respect to |
| 12 | a Federal intellectual property right; and |
| 13 | "(2) a certification that, during the 1-year pe- |
| 14 | riod preceding the date of the application, the |
| 15 | State's sovereign immunity from suit in Federal |
| 16 | court has not been asserted in any action described |
| 17 | in paragraph (1).". |
| 18 | (b) Assignment and Recordation.—Section 261 |
| 19 | of title 35, United States Code, is amended— |
| 20 | (1) by striking "Subject to the provisions of |
| 21 | this title" in the first sentence and inserting "(a) IN |
| 22 | General.—Subject to the provisions of this title"; |
| 23 | and |
| 24 | (2) by adding at the end the following: |

| 1 | "(b) Recordation by or on Behalf of A |
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| 2 | STATE.—When an assignment, grant, or conveyance of an |
| 3 | application for patent, patent, or any interest in that pat- |
| 4 | ent, is recorded in the Patent and Trademark Office by |
| 5 | or on behalf of a State, an instrumentality of a State, or |
| 6 | a State official acting in an official capacity, the Commis- |
| 7 | sioner shall require— |
| 8 | "(1) an assurance that, during the pendency of |
| 9 | the application and the term of any patent resulting |
| 10 | from that application, or during the remaining term |
| 11 | of the patent or any interest in that patent, the |
| 12 | State's sovereign immunity from suit in Federal |
| 13 | court will be waived in any action against the State |
| 14 | or any instrumentality or official of that State— |
| 15 | "(A) arising under a Federal intellectual |
| 16 | property law; or |
| 17 | "(B) seeking a declaration with respect to |
| 18 | a Federal intellectual property right; and |
| 19 | "(2) a certification that, during the 1-year pe- |
| 20 | riod preceding the date of the recordation, the |
| 21 | State's sovereign immunity from suit in Federal |
| 22 | court has not been asserted in any action described |
| 23 | in paragraph (1).". |

| 1 | SEC. 132. CONDITIONS FOR STATE PARTICIPATION IN THE |
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| 2 | FEDERAL PLANT VARIETY PROTECTION SYS- |
| 3 | TEM. |
| 4 | (a) Application for Certificate of Protec- |
| 5 | TION.—Section 52 of the Plant Variety Protection Act (7 |
| 6 | U.S.C. 2422) is amended— |
| 7 | (1) by striking "An application for a certifi- |
| 8 | cate" in the first sentence and inserting "(a) An ap- |
| 9 | plication for a certificate"; and |
| 10 | (2) by adding at the end the following: |
| 11 | "(b) When an application for plant variety protection |
| 12 | is made by or on behalf of a State, an instrumentality |
| 13 | of a State, or a State official acting in an official capacity, |
| 14 | the Secretary shall require— |
| 15 | "(1) an assurance that, during the pendency of |
| 16 | the application and the term of any plant variety |
| 17 | protection resulting from that application, the |
| 18 | State's sovereign immunity from suit in Federal |
| 19 | court will be waived in any action against the State |
| 20 | or any instrumentality or official of that State— |
| 21 | "(A) arising under a Federal intellectual |
| 22 | property law; or |
| 23 | "(B) seeking a declaration with respect to |
| 24 | a Federal intellectual property right; and |
| 25 | "(2) a certification that, during the 1-year pe- |
| 26 | riod preceding the date of the application, the |

| 1 | State's sovereign immunity from suit in Federal |
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| 2 | court has not been asserted in any action described |
| 3 | in paragraph (1).". |
| 4 | (b) Assignment and Recordation.—Section 101 |
| 5 | of the Plant Variety Protection Act (7 U.S.C. 2531) is |
| 6 | amended by adding at the end the following: |
| 7 | "(e) When an assignment, grant, conveyance, or li- |
| 8 | cense of plant variety protection or application for plant |
| 9 | variety protection is filed for recording in the Plant Vari- |
| 10 | ety Protection Office by or on behalf of a State, an instru- |
| 11 | mentality of a State, or a State official acting in an official |
| 12 | capacity, the Secretary shall require— |
| 13 | "(1) an assurance that, during the remaining |
| 14 | term of the plant variety protection, or during the |
| 15 | pendency of the application and the term of any |
| 16 | plant variety protection resulting from that applica- |
| 17 | tion, the State's sovereign immunity from suit in |
| 18 | Federal court will be waived in any action against |
| 19 | the State or any instrumentality or official of that |
| 20 | State— |
| 21 | "(A) arising under a Federal intellectual |
| 22 | property law; or |
| 23 | "(B) seeking a declaration with respect to |
| 24 | a Federal intellectual property right; and |

| 1 | "(2) a certification that, during the 1-year pe- |
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| 2 | riod preceding the date of the recordation, the |
| 3 | State's sovereign immunity from suit in Federal |
| 4 | court has not been asserted in any action described |
| 5 | in paragraph (1).". |
| 6 | SEC. 133. CONDITIONS FOR STATE PARTICIPATION IN THE |
| 7 | FEDERAL COPYRIGHT SYSTEM. |
| 8 | Section 409 of title 17, United States Code, is |
| 9 | amended— |
| 10 | (1) in paragraph (10), by striking "and" at the |
| 11 | end; |
| 12 | (2) by redesignating paragraph (11) as para- |
| 13 | graph (12); and |
| 14 | (3) by inserting after paragraph (10) the fol- |
| 15 | lowing: |
| 16 | "(11) if the application is by or on behalf of a |
| 17 | State or an instrumentality of a State— |
| 18 | "(A) an assurance that, during the pend- |
| 19 | ency of the application and the subsistence of |
| 20 | any copyright identified in that application, the |
| 21 | State's sovereign immunity from suit in Federal |
| 22 | court will be waived in any action against the |
| 23 | State or any instrumentality or official of that |
| 24 | State— |

| 1 | "(i) arising under a Federal intellec- |
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| 2 | tual property law; or |
| 3 | "(ii) seeking a declaration with re- |
| 4 | spect to a Federal intellectual property |
| 5 | right; and |
| 6 | "(B) a certification that, during the 1-year |
| 7 | period preceding the date of the application, the |
| 8 | State's sovereign immunity from suit in Federal |
| 9 | court has not been asserted in any action de- |
| 10 | scribed in subparagraph (A); and". |
| 11 | SEC. 134. CONDITIONS FOR STATE PARTICIPATION IN THE |
| 12 | FEDERAL MASK WORK SYSTEM. |
| 13 | Section 908 of title 17, United States Code, is |
| 14 | amended by adding at the end the following: |
| 15 | "(h) When an application for registration of a mask |
| 16 | work is made by or on behalf of a State or an instrumen- |
| 17 | tality of a State, the Register of Copyrights shall |
| 18 | require— |
| 19 | "(1) an assurance that, during the pendency of |
| 20 | the application and any term of protection resulting |
| 21 | from that application, the State's sovereign immu- |
| 22 | nity from suit in Federal court will be waived in any |
| 23 | action against the State or any instrumentality or |
| 24 | official of that State— |

| 1 | "(A) arising under a Federal intellectual |
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| 2 | property law; or |
| 3 | "(B) seeking a declaration with respect to |
| 4 | a Federal intellectual property right; and |
| 5 | "(2) a certification that, during the 1-year pe- |
| 6 | riod preceding the date of the application, the |
| 7 | State's sovereign immunity from suit in Federal |
| 8 | court has not been asserted in any action described |
| 9 | in paragraph (1).". |
| 10 | SEC. 135. CONDITIONS FOR STATE PARTICIPATION IN THE |
| 11 | FEDERAL ORIGINAL DESIGN SYSTEM. |
| 12 | Section 1310 of title 17, United States Code, is |
| 13 | amended by adding at the end the following: |
| 14 | "(k) Application by or on Behalf of a State |
| 15 | OR AN INSTRUMENTALITY OF A STATE.—When an appli- |
| 16 | cation for registration of a design is made by or on behalf |
| 17 | of a State or an instrumentality of a State, the Adminis- |
| 18 | trator shall require— |
| 19 | "(1) an assurance that, during the pendency of |
| 20 | the application and any term of protection resulting |
| 21 | from that application, the State's sovereign immu- |
| 22 | nity from suit in Federal court will be waived in any |
| 23 | action against the State or any instrumentality or |
| 24 | official of that State— |

| 1 | "(A) arising under a Federal intellectual |
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| 2 | property law; or |
| 3 | "(B) seeking a declaration with respect to |
| 4 | a Federal intellectual property right; and |
| 5 | "(2) a certification that, during the 1-year pe- |
| 6 | riod preceding the date of the application, the |
| 7 | State's sovereign immunity from suit in Federal |
| 8 | court has not been asserted in any action described |
| 9 | in paragraph (1).". |
| 10 | SEC. 136. CONDITIONS FOR STATE PARTICIPATION IN THE |
| 11 | FEDERAL TRADEMARK SYSTEM. |
| 12 | (a) Application for Use of Trademark or |
| 13 | SERVICE MARK.—Section 1 of the Trademark Act of 1946 |
| 14 | (15 U.S.C. 1051) is amended by adding at the end the |
| 15 | following: |
| 16 | "(f) When an application under subsection (a) or (b) |
| 17 | of this section is made by or on behalf of a State or an |
| 18 | instrumentality of a State, the Commissioner shall |
| 19 | require— |
| 20 | "(1) an assurance that, during the pendency of |
| 21 | the application and for as long as the mark is reg- |
| 22 | istered, the State's sovereign immunity from suit in |
| 23 | Federal court will be waived in any action against |
| 24 | the State or any instrumentality or official of that |
| 25 | State— |

| 1 | "(A) arising under a Federal intellectual |
|----|--|
| 2 | property law; or |
| 3 | "(B) seeking a declaration with respect to |
| 4 | a Federal intellectual property right; and |
| 5 | "(2) a certification that, during the 1-year pe- |
| 6 | riod preceding the date of the application, the |
| 7 | State's sovereign immunity from suit in Federal |
| 8 | court has not been asserted in any action described |
| 9 | in paragraph (1).". |
| 10 | (b) Assignment and Recordation.—Section 10 of |
| 11 | the Trademark Act of 1946 (15 U.S.C. 1060) is |
| 12 | amended— |
| 13 | (1) by inserting "(a)" before "A registered |
| 14 | mark''; |
| 15 | (2) by inserting "(b)" before "An assignee not |
| 16 | domiciled"; and |
| 17 | (3) by adding at the end the following: |
| 18 | "(c) When an assignment of a registered mark or a |
| 19 | mark for which an application to register has been filed |
| 20 | is recorded in the Patent and Trademark Office by or on |
| 21 | behalf of a State or an instrumentality of a State, the |
| 22 | Commissioner shall require— |
| 23 | "(1) an assurance that, during the pendency of |
| 24 | any application and for as long as any mark is reg- |
| 25 | istered, the State's sovereign immunity from suit in |

| 1 | Federal court will be waived in any action against |
|----|--|
| 2 | the State or any instrumentality or official of that |
| 3 | State— |
| 4 | "(A) arising under a Federal intellectual |
| 5 | property law; or |
| 6 | "(B) seeking a declaration with respect to |
| 7 | a Federal intellectual property right; and |
| 8 | "(2) a certification that, during the 1-year pe- |
| 9 | riod preceding the date of the recordation, the |
| 10 | State's sovereign immunity from suit in Federal |
| 11 | court has not been asserted in any action described |
| 12 | in paragraph (1).". |
| 13 | SEC. 137. NO RETROACTIVE EFFECT. |
| 14 | The amendments made by this subtitle shall not |
| 15 | apply to— |
| 16 | (1) any application pending before the effective |
| 17 | date of this title; or |
| 18 | (2) any assertion of sovereign immunity made |
| 19 | before the effective date of this title. |

| 1 | TITLE II—RESTORATION OF |
|----|---|
| 2 | PROTECTION FOR FEDERAL |
| 3 | INTELLECTUAL PROPERTY |
| 4 | RIGHTS |
| 5 | SEC. 201. LIABILITY OF STATES FOR PATENT VIOLATIONS. |
| 6 | Section 296 of title 35, United States Code, is |
| 7 | amended to read as follows: |
| 8 | "§ 296. Liability of States, instrumentalities of States, |
| 9 | and State officials for infringement of |
| 10 | patents |
| 11 | "(a) Remedy for Statutory Violation.—In any |
| 12 | action against an officer or employee of a State for in- |
| 13 | fringement of a patent under section 271, or for any other |
| 14 | violation under this title, prospective relief is available |
| 15 | against the officer or employee in the same manner and |
| 16 | to the same extent as such relief is available in an action |
| 17 | against a private individual under like circumstances. Pro- |
| 18 | spective relief may include injunctions under section 283, |
| 19 | attorney fees under section 285, and declaratory relief |
| 20 | under section 2201 of title 28. |
| 21 | "(b) Remedy for Constitutional Violation.— |
| 22 | "(1) Definition.—In this subsection, the term |
| 23 | 'State' includes a State, an instrumentality of a |
| 24 | State, and an officer or employee of a State acting |
| 25 | in an official capacity. |

| 1 | "(2) IN GENERAL.— |
|----|---|
| 2 | "(A) Remedies.—Any State that takes |
| 3 | any of the rights of exclusion secured under |
| 4 | this chapter in violation of the fifth amendmen |
| 5 | of the United States Constitution, or deprive |
| 6 | any person of any of the rights of exclusion se |
| 7 | cured under this chapter without due process o |
| 8 | law in violation of the fourteenth amendment— |
| 9 | "(i) shall be liable to the party injured |
| 10 | in a civil action against the State for the |
| 11 | recovery of that party's reasonable and en |
| 12 | tire compensation; and |
| 13 | "(ii) may be enjoined from continuing |
| 14 | or future constitutional violations, in ac |
| 15 | cordance with the principles of equity and |
| 16 | upon such terms as the court may deter |
| 17 | mine reasonable. |
| 18 | "(B) Compensation.—Reasonable and |
| 19 | entire compensation may include damages, in |
| 20 | terest, and costs under section 284, attorney |
| 21 | fees under section 285, and the additional rem |
| 22 | edy for infringement of design patents under |
| 23 | section 289. |
| 24 | "(3) Limitations.— |

| 1 | "(A) IN GENERAL.—The remedy provided |
|----|--|
| 2 | under paragraph (2) is not available in an ac- |
| 3 | tion against— |
| 4 | "(i) a State that has waived its sov- |
| 5 | ereign immunity from suit in Federal court |
| 6 | for damages resulting from a violation of |
| 7 | this title; or |
| 8 | "(ii) a State official in an individual |
| 9 | capacity. |
| 10 | "(B) Remedies (including |
| 11 | remedies both at law and in equity) are avail- |
| 12 | able against such State or State official in the |
| 13 | same manner and to the same extent as such |
| 14 | remedies are available in an action against a |
| 15 | private entity or individual under like cir- |
| 16 | cumstances. |
| 17 | "(4) Burden of Proof.—If a claimant pro- |
| 18 | duces prima facie evidence to support a claim under |
| 19 | paragraph (2), the burden of proof shall be on the |
| 20 | State, except as to any elements of the claim that |
| 21 | would have to be proved if the action were brought |
| 22 | under another provision of this title. The burden of |
| 23 | proof shall be unaffected with respect to any such |
| 24 | element. |

- 1 "(c) Preemption.—No State may use or manufac-
- 2 ture the invention described in or covered by a patent
- 3 without the authorization or consent of the patent owner,
- 4 except in the manner and to the extent authorized by Fed-
- 5 eral law.".
- 6 SEC. 202. LIABILITY OF STATES FOR VIOLATION OF PLANT
- 7 **VARIETY PROTECTION.**
- 8 Section 130 of the Plant Variety Protection Act (7
- 9 U.S.C. 2570) is amended to read as follows:
- 10 "SEC. 130. LIABILITY OF STATES, INSTRUMENTALITIES OF
- 11 STATES, AND STATE OFFICIALS FOR IN-
- 12 FRINGEMENT OF PLANT VARIETY PROTEC-
- 13 **TION.**
- 14 "(a) In any action against an officer or employee of
- 15 a State for infringement of plant variety protection under
- 16 section 111, or for any other violation under this chapter,
- 17 prospective relief is available against the officer or em-
- 18 ployee in the same manner and to the same extent as such
- 19 relief is available in an action against a private individual
- 20 under like circumstances. Prospective relief may include
- 21 injunctions under section 123, attorney fees under section
- 22 125, and declaratory relief under section 2201 of title 28,
- 23 United States Code.

| 1 | "(b)(1) In this subsection, the term 'State' includes |
|----|--|
| 2 | a State, an instrumentality of a State, and an officer or |
| 3 | employee of a State acting in an official capacity. |
| 4 | "(2)(A) Any State that takes any of the rights of ex- |
| 5 | clusion secured under this chapter in violation of the fifth |
| 6 | amendment of the United States Constitution, or deprives |
| 7 | any person of any of the rights of exclusion secured under |
| 8 | this chapter without due process of law in violation of the |
| 9 | fourteenth amendment— |
| 10 | "(i) shall be liable to the party injured in a civil |
| 11 | action against the State for the recovery of that par- |
| 12 | ty's reasonable and entire compensation; and |
| 13 | "(ii) may be enjoined from continuing or future |
| 14 | constitutional violations, in accordance with the prin- |
| 15 | ciples of equity and upon such terms as the court |
| 16 | may determine reasonable. |
| 17 | "(B) Reasonable and entire compensation may in- |
| 18 | clude damages, interest, and costs under section 124, and |
| 19 | attorney fees under section 125. |
| 20 | "(3)(A) The remedy provided under paragraph (2) is |
| 21 | not available in an action against— |
| 22 | "(i) a State that has waived its sovereign im- |
| 23 | munity from suit in Federal court for damages re- |
| 24 | sulting from a violation of this chapter; or |

"(ii) a State official in an individual capacity.

- 1 "(B) Remedies (including remedies both at law and
- 2 in equity) are available against such State or State official
- 3 in the same manner and to the same extent as such rem-
- 4 edies are available in an action against a private entity
- 5 or individual under like circumstances.
- 6 "(4) If a claimant produces prima facie evidence to
- 7 support a claim under paragraph (2), the burden of proof
- 8 shall be on the State, except as to any elements of the
- 9 claim that would have to be proved if the action were
- 10 brought under another provision of this chapter. The bur-
- 11 den of proof shall be unaffected with respect to any such
- 12 element.
- 13 "(c) No State may exercise any rights of the owner
- 14 of a plant variety protected by a certificate of plant variety
- 15 protection under this chapter without the authorization or
- 16 consent of such owner, except in the manner and to the
- 17 extent authorized by Federal law.".
- 18 SEC. 203. LIABILITY OF STATES FOR COPYRIGHT VIOLA-
- 19 TIONS.
- Section 511 of title 17, United States Code, is
- 21 amended to read as follows:

| 1 | "§ 511. Liability of States, instrumentalities of States, |
|----|--|
| 2 | and State officials for infringement of |
| 3 | copyright |
| 4 | "(a) Remedy for Statutory Violation.—In any |
| 5 | action against an officer or employee of a State for viola- |
| 6 | tion of any rights of a copyright owner as provided in sec- |
| 7 | tions 106 through 121 or of an author as provided in sec- |
| 8 | tion 106A, or for any other violation under this title, pro- |
| 9 | spective relief is available against the officer or employee |
| 10 | in the same manner and to the same extent as such relief |
| 11 | is available in an action against a private individual under |
| 12 | like circumstances. Prospective relief may include injunc- |
| 13 | tions under section 502, impounding and disposition of in- |
| 14 | fringing articles under section 503, costs and attorney fees |
| 15 | under section 505, and declaratory relief under section |
| 16 | 2201 of title 28. |
| 17 | "(b) Remedy for Constitutional Violation.— |
| 18 | "(1) Definition.—In this subsection, the term |
| 19 | 'State' includes a State, an instrumentality of a |
| 20 | State, and an officer or employee of a State acting |
| 21 | in an official capacity. |
| 22 | "(2) In general.— |
| 23 | "(A) Remedies.—Any State that takes |
| 24 | any of the rights of exclusion secured under |
| 25 | this title in violation of the fifth amendment of |
| 26 | the United States Constitution or deprives any |

| 1 | person of any of the rights of exclusion secured |
|----|--|
| 2 | under this title without due process of law in |
| 3 | violation of the fourteenth amendment— |
| 4 | "(i) shall be liable to the party injured |
| 5 | in a civil action against the State for the |
| 6 | recovery of that party's reasonable and en- |
| 7 | tire compensation; and |
| 8 | "(ii) may be enjoined from continuing |
| 9 | or future constitutional violations, in ac- |
| 10 | cordance with the principles of equity and |
| 11 | upon such terms as the court may deter- |
| 12 | mine reasonable. |
| 13 | "(B) Compensation.—Reasonable and |
| 14 | entire compensation may include actual dam- |
| 15 | ages and profits or statutory damages under |
| 16 | section 504, and costs and attorney fees under |
| 17 | section 505. |
| 18 | "(3) Limitations.— |
| 19 | "(A) In general.—The remedy provided |
| 20 | under paragraph (2) is not available in an ac- |
| 21 | tion against— |
| 22 | "(i) a State that has waived its sov- |
| 23 | ereign immunity from suit in Federal court |
| 24 | for damages resulting from a violation of |
| 25 | this title; or |

| 1 | "(ii) a State official in an individual |
|----|--|
| 2 | capacity. |
| 3 | "(B) Remedies (including |
| 4 | remedies both at law and in equity) are avail- |
| 5 | able against such State or State official in the |
| 6 | same manner and to the same extent as such |
| 7 | remedies are available in an action against a |
| 8 | private entity or individual under like cir- |
| 9 | cumstances. |
| 10 | "(4) Burden of Proof.—If a claimant pro- |
| 11 | duces prima facie evidence to support a claim under |
| 12 | paragraph (2), the burden of proof shall be on the |
| 13 | State, except as to any elements of the claim that |
| 14 | would have to be proved if the action were brought |
| 15 | under another provision of this title. The burden of |
| 16 | proof shall be unaffected with respect to any such |
| 17 | element. |
| 18 | "(c) Preemption.—No State may exercise any |
| 19 | rights of a copyright owner protected under this title with- |
| 20 | out the authorization or consent of such owner, except in |
| 21 | the manner and to the extent authorized by Federal law." |
| 22 | SEC. 204. LIABILITY OF STATES FOR MASK WORK VIOLA |
| 23 | TIONS. |
| 24 | (a) In General.—Chapter 9 of title 17, United |
| 25 | States Code, is amended— |

| 1 | (1) in section 911, by striking subsection (g); |
|----|---|
| 2 | and |
| 3 | (2) by adding at the end the following: |
| 4 | "§ 915. Liability of States, instrumentalities of States, |
| 5 | and State officials for violation of mask |
| 6 | works |
| 7 | "(a) Remedy for Statutory Violation.—In any |
| 8 | action against an officer or employee of a State for in- |
| 9 | fringement of any rights in a mask work protected under |
| 10 | this chapter, or for any other violation under this chapter, |
| 11 | prospective relief is available against the officer or em- |
| 12 | ployee in the same manner and to the same extent as such |
| 13 | relief is available in an action against a private individual |
| 14 | under like circumstances. Prospective relief may include |
| 15 | injunctive relief under section 911(a), impounding and de- |
| 16 | struction of infringing products under section 911(e), |
| 17 | costs and attorney fees under section 911(f), and declara- |
| 18 | tory relief under section 2201 of title 28. |
| 19 | "(b) Remedy for Constitutional Violation.— |
| 20 | "(1) Definition.—In this subsection, the term |
| 21 | 'State' includes a State, an instrumentality of a |
| 22 | State, and an officer or employee of a State acting |
| 23 | in an official capacity. |
| 24 | "(2) In general — |

| 1 | "(A) Remedies.—Any State that takes |
|----|--|
| 2 | any of the rights of exclusion secured under |
| 3 | this chapter in violation of the fifth amendment |
| 4 | of the United States Constitution, or deprives |
| 5 | any person of any of the rights of exclusion se- |
| 6 | cured under this chapter without due process of |
| 7 | law in violation of the fourteenth amendment— |
| 8 | "(i) shall be liable to the party injured |
| 9 | in a civil action against the State for the |
| 10 | recovery of that party's reasonable and en- |
| 11 | tire compensation; and |
| 12 | "(ii) may be enjoined from continuing |
| 13 | or future constitutional violations, in ac- |
| 14 | cordance with the principles of equity and |
| 15 | upon such terms as the court may deter- |
| 16 | mine reasonable. |
| 17 | "(B) Compensation.—Reasonable and |
| 18 | entire compensation may include actual dam- |
| 19 | ages and profits under section 911(b) or statu- |
| 20 | tory damages under section 911(c), and costs |
| 21 | and attorney fees under section 911(f). |
| 22 | "(3) Limitations.— |
| 23 | "(A) In general.—The remedy provided |
| 24 | under paragraph (2) is not available in an ac- |
| 25 | tion against— |

| 1 | "(i) a State that has waived its sov- |
|----|---|
| 2 | ereign immunity from suit in Federal court |
| 3 | for damages resulting from a violation of |
| 4 | this title; or |
| 5 | "(ii) a State official in an individual |
| 6 | capacity. |
| 7 | "(B) Remedies (including |
| 8 | remedies both at law and in equity) are avail- |
| 9 | able against such State or State official in the |
| 10 | same manner and to the same extent as such |
| 11 | remedies are available in an action against a |
| 12 | private entity or individual under like cir- |
| 13 | cumstances. |
| 14 | "(4) Burden of proof.—If a claimant pro- |
| 15 | duces prima facie evidence to support a claim under |
| 16 | paragraph (2), the burden of proof shall be on the |
| 17 | State, except as to any elements of the claim that |
| 18 | would have to be proved if the action were brought |
| 19 | under another provision of this chapter. The burden |
| 20 | of proof shall be unaffected with respect to any such |
| 21 | element. |
| 22 | "(c) Preemption.—No State may exercise any |
| 23 | rights of the owner of a mask work protected under this |
| 24 | chapter without the authorization or consent of such |

| 1 | owner, except in the manner and to the extent authorized |
|----|--|
| 2 | by Federal law.". |
| 3 | (b) Conforming Amendment.—The table of sec- |
| 4 | tions for chapter 9 of title 17, United States Code, is |
| 5 | amended by adding at the end the following: |
| | "915. Liability of States, instrumentalities of States, and State officials for violation of mask works.". |
| 6 | SEC. 205. LIABILITY OF STATES FOR ORIGINAL DESIGN |
| 7 | VIOLATIONS. |
| 8 | (a) In General.—Chapter 13 of title 17, United |
| 9 | States Code, is amended— |
| 10 | (1) in section 1309(a), by adding at the end the |
| 11 | following: "In this subsection, the term 'any person' |
| 12 | includes any State, any instrumentality of a State, |
| 13 | and any officer or employee of a State or instrumen- |
| 14 | tality of a State acting in an official capacity. Any |
| 15 | State, and any such instrumentality, officer, or em- |
| 16 | ployee, shall be subject to the provisions of this |
| 17 | chapter in the same manner and to the same extent |
| 18 | as any nongovernmental entity."; and |
| 19 | (2) by adding at the end the following: |
| 20 | "§ 1333. Liability of States, instrumentalities of |
| 21 | States, and State officials for violation of |
| 22 | original designs |

"(a) Remedy for Statutory Violation.—In any

24 action against an officer or employee of a State for in-

23

| 1 | fringement of any rights in a design protected under this |
|----|--|
| 2 | chapter, or for any other violation under this chapter, pro- |
| 3 | spective relief is available against the officer or employee |
| 4 | in the same manner and to the same extent as such relief |
| 5 | is available in an action against a private individual under |
| 6 | like circumstances. Prospective relief may include injunc- |
| 7 | tions under section 1322, attorney fees under section |
| 8 | 1323(d), disposition of infringing and other articles under |
| 9 | section 1323(e), and declaratory relief under section 2201 |
| 10 | of title 28. |
| 11 | "(b) Remedy for Constitutional Violation.— |
| 12 | "(1) Definition.—In this subsection, the term |
| 13 | 'State' includes a State, an instrumentality of a |
| 14 | State, and an officer or employee of a State acting |
| 15 | in an official capacity. |
| 16 | "(2) In general.— |
| 17 | "(A) Remedies.—Any State that takes |
| 18 | any of the rights of exclusion secured under |
| 19 | this chapter in violation of the fifth amendment |
| 20 | of the United States Constitution, or deprives |
| 21 | any person of any of the rights of exclusion se- |
| 22 | cured under this chapter without due process of |
| 23 | law in violation of the fourteenth amendment— |
| 24 | "(i) shall be liable to the party injured |
| 25 | in a civil action against the State for the |

| 1 | recovery of that party's reasonable and en- |
|----|--|
| 2 | tire compensation; and |
| 3 | "(ii) may be enjoined from continuing |
| 4 | or future constitutional violations, in ac- |
| 5 | cordance with the principles of equity and |
| 6 | upon such terms as the court may deter- |
| 7 | mine reasonable. |
| 8 | "(B) Compensation.—Reasonable and |
| 9 | entire compensation may include damages, prof- |
| 10 | its, and attorney fees under section 1323. |
| 11 | "(3) Limitations.— |
| 12 | "(A) In general.—The remedy provided |
| 13 | under paragraph (2) is not available in an ac- |
| 14 | tion against— |
| 15 | "(i) a State that has waived its sov- |
| 16 | ereign immunity from suit in Federal court |
| 17 | for damages resulting from a violation of |
| 18 | this title; or |
| 19 | "(ii) a State official in an individual |
| 20 | capacity. |
| 21 | "(B) Remedies (including |
| 22 | remedies both at law and in equity) are avail- |
| 23 | able against such State or State official in the |
| 24 | same manner and to the same extent as such |
| 25 | remedies are available in an action against a |

| 1 | private | entity | or | individual | under | like | cir- |
|---|---------|--------|----|------------|-------|------|------|
| | | | | | | | |

- 2 cumstances.
- 3 "(4) Burden of Proof.—If a claimant pro-
- 4 duces prima facie evidence to support a claim under
- 5 paragraph (2), the burden of proof shall be on the
- 6 State, except as to any elements of the claim that
- 7 would have to be proved if the action were brought
- 8 under another provision of this chapter. The burden
- 9 of proof shall be unaffected with respect to any such
- 10 element.
- 11 "(c) Preemption.—No State may exercise any
- 12 rights of the owner of a design protected under this chap-
- 13 ter without the authorization or consent of such owner,
- 14 except in the manner and to the extent authorized by Fed-
- 15 eral law.".
- 16 (b) Conforming Amendment.—The table of sec-
- 17 tions for chapter 13 of title 17, United States Code, is
- 18 amended by adding at the end the following:

- 19 SEC. 206. LIABILITY OF STATES FOR TRADEMARK VIOLA-
- 20 TIONS.
- Section 40 of the Trademark Act of 1946 (15 U.S.C.
- 22 1122) is amended to read as follows:

[&]quot;1333. Liability of States, instrumentalities of States, and State officials for violation of original designs.".

| 1 | "SEC. 40. LIABILITY OF STATES, INSTRUMENTALITIES OF |
|----|--|
| 2 | STATES, AND STATE OFFICIALS FOR IN- |
| 3 | FRINGEMENT OF TRADEMARKS. |
| 4 | "(a) Remedy for Statutory Violation.—In any |
| 5 | action against an officer or employee of a State for in- |
| 6 | fringement of a trademark under section 32, or for any |
| 7 | other violation under this Act, prospective relief is avail- |
| 8 | able against the officer or employee in the same manner |
| 9 | and to the same extent as such relief is available in an |
| 10 | action against a private individual under like cir- |
| 11 | cumstances. Prospective relief may include injunctive re- |
| 12 | lief under section 34, costs and attorney fees under section |
| 13 | 35, destruction of infringing articles under section 36, and |
| 14 | declaratory relief under section 2201 of title 28, United |
| 15 | States Code. |
| 16 | "(b) Remedy for Constitutional Violation.— |
| 17 | "(1) Definition.—In this subsection, the term |
| 18 | 'State' includes a State, an instrumentality of a |
| 19 | State, and an officer or employee of a State acting |
| 20 | in an official capacity. |
| 21 | "(2) In general.— |
| 22 | "(A) Remedies.—Any State that takes |
| 23 | any of the rights of exclusion secured under |
| 24 | this Act in violation of the fifth amendment of |
| 25 | the United States Constitution, or deprives any |
| 26 | person of any of the rights of exclusion secured |

| 1 | under this Act without due process of law in |
|----|--|
| 2 | violation of the fourteenth amendment— |
| 3 | "(i) shall be liable to the party injured |
| 4 | in a civil action against the State for the |
| 5 | recovery of that party's reasonable and en- |
| 6 | tire compensation; and |
| 7 | "(ii) may be enjoined from continuing |
| 8 | or future constitutional violations, in ac- |
| 9 | cordance with the principles of equity and |
| 10 | upon such terms as the court may deter- |
| 11 | mine reasonable. |
| 12 | "(B) Compensation.—Reasonable and |
| 13 | entire compensation may include actual dam- |
| 14 | ages and profits or statutory damages, and |
| 15 | costs and attorney fees under section 35. |
| 16 | "(3) Limitations.— |
| 17 | "(A) In general.—The remedy provided |
| 18 | under paragraph (2) is not available in an ac- |
| 19 | tion against— |
| 20 | "(i) a State that has waived its sov- |
| 21 | ereign immunity from suit in Federal court |
| 22 | for damages resulting from a violation of |
| 23 | this title; or |
| 24 | "(ii) a State official in an individual |
| 25 | capacity. |

"(B) 1 Remedies.—Remedies (including 2 remedies both at law and in equity) are avail-3 able against such State or State official in the 4 same manner and to the same extent as such 5 remedies are available in an action against a private entity or individual under like cir-6 7 cumstances.

"(4) BURDEN OF PROOF.—If a claimant produces prima facie evidence to support a claim under paragraph (2), the burden of proof shall be on the State, except as to any elements of the claim that would have to be proved if the action were brought under another provision of this Act. The burden of proof shall be unaffected with respect to any such element.

16 "(c) PREEMPTION.—No State may use a federally 17 registered mark for the same or similar goods or service 18 without the authorization or consent of the owner of the 19 mark, except in the manner and to the extent authorized 20 by Federal law.".

21 SEC. 207. RULES OF CONSTRUCTION.

22 (a) JURISDICTION.—The district courts shall have 23 original jurisdiction of any action arising under this title 24 and the amendments made by this title under section 1338 25 of title 28, United States Code.

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- 1 (b) Broad Construction.—This title and the
- 2 amendments made by this title shall be construed in favor
- 3 of a broad protection of Federal intellectual property
- 4 rights, to the maximum extent permitted by this title and
- 5 the United States Constitution.

6 TITLE III—EFFECTIVE DATES

- 7 SEC. 301. EFFECTIVE DATES.
- 8 (a) TITLE I.—Title I of this Act and the amendments
- 9 made by that title shall take effect 90 days after the date
- 10 of enactment of this Act.
- 11 (b) TITLE II.—The amendments made by title II of
- 12 this Act shall take effect with respect to violations that
- 13 occur on or after the date of enactment of this Act.
- 14 SEC. 302. SEVERABILITY.
- 15 If any provision of this Act or of an amendment made
- 16 by this Act, or any application of such provision to any
- 17 person or circumstance, is held to be unconstitutional, the
- 18 remainder of this Act, the amendments made by this Act,
- 19 and the application of the provision to any other person
- 20 or circumstance shall not be affected.

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