Office of the Attorney General
Washington, D. C. 20530

October 13, 1999

Honorable J. Dennis Hastert
Speaker of the House of
Representatives
Washington, D.C. 20515

Re: Chavez v. Arte Publico Press, et al. No. 93-2881 (5th Cir.); 15 U.S.C. 1122; 17 U.S.C. 511

Dear Mr. Speaker:

I am writing to inform you that the Department of Justice has decided to withdraw the United States' intervention as a party in the above-captioned case, which was undertaken to defend the constitutionality of Section 40 of the Lanham Trade-Mark Act, 15 U.S.C. 1122, as added by the Trademark Remedy Clarification Act, Pub. L. No. 102-342, § 3(b), 106 Stat. 3567 (1992), as well as 17 U.S.C. 511, as added by the Copyright Remedy Clarification Act, Pub. L. No. 101-553, § 2(a)(2), 104 Stat. 2749. Both provisions abrogate the immunity of States and state entities to private lawsuits for money damages, under the trademark and copyright laws respectively. In light of the Supreme Court's decisions in Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank, 119 S. Ct. 2199 (1999), and College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board, 119 S. Ct. 2219 (1999), I have determined that the current legislative record will no longer support a defense of the constitutionality of these provisions in their current breadth.

The above-captioned case is a private lawsuit brought in federal district court in 1993 by an author against an entity of the University of Houston, which is in turn an entity of the State of Texas. The author, Chavez, alleged that the University had published an excessive number of her books, in violation of the copyright laws, and had used her name, without her consent, in a catalog as an anthologer of plays, in violation of the trademark laws. The University moved to dismiss, contending that it was immune from suit in federal court under the Eleventh Amendment. The University also contended that Congress's abrogation of its immunity to private litigation based on the trademark and copyright laws, in 15 U.S.C. 1122 and 17 U.S.C. 511, was unconstitutional.

On November 4, 1993, the district court denied the University's motion to dismiss, and the University appealed to

the Fifth Circuit. On July 18, 1994, the United States, through the Department of Justice, moved to intervene in the court of appeals to defend the constitutionality of the challenged provisions. The court of appeals granted the motion to intervene on August 4, 1994.

On August 1, 1995, the Fifth Circuit initially affirmed the denial of the motion to dismiss, concluding that, under the doctrine of Parden v. Terminal Railway, 377 U.S. 184 (1964), the University had implicitly waived its Eleventh Amendment immunity by engaging in commercial activity covered by the copyright and trademark laws after Congress removed state immunity to suit under those provisions. See Chavez v. Arte Publico Press, 59 F.3d 539 (5th Cir. 1995). The University then filed a petition for a writ of certiorari, and the Supreme Court vacated the Fifth Circuit's decision and remanded for further proceedings in light of Seminole Tribe v. Florida, 517 U.S. 44, which held that Congress may not abrogate a State's Eleventh Amendment immunity from suit pursuant to its Article I powers. See University of Houston v. Chavez, 517 U.S. 1184 (1996).

On remand, the United States continued to defend the constitutionality of the provisions at issue, but on April 20, 1998, a divided panel of the Fifth Circuit held those provisions invalid. The panel concluded that the Supreme Court in Seminole Tribe had in effect overruled the Parden doctrine of implied waiver. The panel also concluded that the abrogations of state immunity could not be defended based on Congress's authority under Section 5 of the Fourteenth Amendment to enforce the protections of Section 1 of that Amendment, including the provision that prohibits the States from depriving any person of property without due process of law. See Chavez v. Arte Publico Press, 139 F.3d 504, as amended, 157 F.3d 282 (5th Cir. 1998).

On June 1, 1998, the United States petitioned for rehearing and suggested rehearing en banc, continuing its defense of the constitutionality of the provisions. On October 1, 1998, the Fifth Circuit ordered rehearing en banc. The Department of Justice filed a supplemental brief on rehearing en banc on December 10, 1998.

While this case was awaiting oral argument before the en banc court, the Supreme Court decided the Florida Prepaid and College Savings Bank cases noted above. In the Florida Prepaid case, the Supreme Court held invalid Congress's abrogation of the States' Eleventh Amendment immunity to private lawsuits for damages under the patent laws, in the Patent and Plant Variety Remedy Protection Act, 35 U.S.C. 271(h), 296(a). The Court held, in particular, the abrogation could not be defended as an exercise of Congress's authority under Section 5 of the Fourteenth Amendment to enforce the protections of the Due

Process Clause of Section 1 because, after a review of the legislative record before Congress, Congress "made only a few fleeting references to state remedies" for patent violations by the States, and Congress "did not focus on instances of intentional or reckless infringement on the part of the States." 119 S. Ct. at 2209. The Court concluded that "[t]he legislative record thus suggests that the Patent Remedy Act does not respond to a history of 'widespread and persisting deprivation of constitutional rights' of the sort Congress has faced in enacting proper prophylactic" legislation under Section 5 of the Fourteenth Amendment. Id. at 2210 (quoting City of Boerne v. Flores, 521 U.S. 507, 526 (1997). The Court also noted that "Congress did nothing to limit the coverage of the Act to cases involving arguable constitutional violations, such as where a State refuses to offer any state-court remedy for patent owners whose patents it had infringed." Ibid. The Court therefore concluded that the Patent Remedy Act's "indiscriminate scope" exceeded the limits of Congress's authority under Section 5 of the Fourteenth Amendment.

In the College Savings Bank case, the Supreme Court concluded that a private trademark lawsuit for damages brought against a state entity based on the allegation that the state entity had misrepresented its own product must be dismissed under the Eleventh Amendment. As relevant here, the Court there overruled the Parden doctrine, and held that the Eleventh Amendment immunity of a State to a private lawsuit for damages may not be waived impliedly by a State's participation in commercial conduct subject to federal regulation, including a provision subjecting the States to suit. See 119 S. Ct. at 2228-2229. The Court in that case did not reach whether Congress might permissibly rely on its power under the Fourteenth Amendment to protect property from deprivation without due process to abrogate a State's Eleventh Amendment immunity to a private trademark suit for damages, because the Court there concluded that the particular trademark claim in that case did not involve a deprivation of property. See 119 S. Ct. at 2224-2225.

On July 12, 1999, subsequent to those Supreme Court decisions, the Fifth Circuit remanded this case to the panel and directed supplemental briefing by the parties to address the significance of Florida Prepaid and College Savings Bank. The court initially directed that the University's supplemental brief be filed on August 12, 1999, and that the government's and Chavez's briefs be filed on September 13, 1999. On August 2, 1999, the University filed a motion for extension of time in which to file its supplemental brief, until September 10, 1999. That motion was granted. On September 24, 1999, after an inquiry by the government about the new due date for its supplemental brief, the court set a deadline of October 13, 1999, for that

brief. The government requested an extension of time to November 3, 1999, in which to file its supplemental brief. The Fifth Circuit denied that request on October 5, 1999.

The Department of Justice has now determined that, in light of the Supreme Court's Florida Prepaid and College Savings Bank decisions, the United States should not continue its intervention in this case to defend the constitutionality of the abrogation of the States' Eleventh Amendment immunity in 15 U.S.C. 1122 and 17 U.S.C. 511. As noted above, in the Florida Prepaid case, the Supreme Court invalidated a similar congressional abrogation of state immunity to suit under the patent laws and stated that there was no evidence that the abrogation responded to "a history of widespread and persisting deprivation of constitutional rights"; rather, the Court stated, Congress "appears to have enacted this legislation in response to a handful of instances of state patent infringement that do not necessarily violate the Constitution." 119 S. Ct. at 2210. After an extensive review of the legislative history of the abrogations at issue here, the Department has determined that the record to support the abrogations of state immunity to suit for trademark and copyright violations is not materially better than was the record in the Florida Prepaid case. This would not necessarily mean, however, that Congress could not validly abrogate the States' immunity to suit for trademark and copyright violations if the necessary evidence of state violations arose and were compiled, or if the provisions abrogating immunity were more narrowly tailored.

In addition, the Department had argued in this case that the state entity had waived its Eleventh Amendment immunity under the Parden doctrine. As discussed above, however, the Supreme Court overruled Parden in the College Savings Bank case, and so that doctrine is no longer available to defend the challenged removal of the University's Eleventh Amendment immunity.

For your information, I have enclosed copies of the pertinent decisions of the Fifth Circuit in this case as well as the most recent filing of the Department of Justice withdrawing the United States' intervention.

Sincerely,

Janet Reno

Enclosure