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COMPUTER SOFTWARE COPYRIGHT PROTECTION: INFRINGEMENT AND ELEVENTH AMENDMENT IMMUNITY

by CARL J. FRANKLIN

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I. INTRODUCTION

Bert van den Berg is the owner of a small engineering firm in California. He primarily manufactures computer software products, and like many in the computer software industry, he does business with the government. His firm, BV Engineering, produces software that the University of California, Los Angeles chose to use. Unfortunately for Bert van den Berg, the university also chose to make its own copies of the computer program. This act violated the copyright laws of the United States.\(^1\) When BV Engineering brought suit against the Regents of the University of California, the Regents claimed immunity from suit under the eleventh amendment.\(^2\)

If BV Engineering had brought suit against anyone else, it would have had a strong cause of action. However, since a state school is held to be an instrumentality of the state, the school may reap the benefits of the state's sovereign immunity. Because of the immunity afforded by

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2. U.S. CONST. amend. XI (1798).

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the eleventh amendment the state school was allowed to do what otherwise would have been prohibited by the copyright laws. Therein lies the problem. A conflict exists between the protections offered to authors by the copyright laws and the protection offered the state by the eleventh amendment.

The resolution of this conflict becomes increasingly important each day as our society becomes more and more reliant on technology. Copyright no longer protects solely the printed word. Today, copyright provides important protection for the creators of a vast selection of new works. These creators require protection under the copyright laws as an incentive to continue developing and disseminating their works. Society, as well as the government, benefits from this arrangement. By allowing the government to pilfer the rights of the creators through the eleventh amendment, however, we discourage creativity. Thus, resolving this conflict is critical for [or could use “important for”] the survival of an advancing society.

This article examines the conflict between the copyright laws and the eleventh amendment. First, the article looks at the history and intent (or purpose) of copyright. Next, the article examines BV Engineering, a recent case in which this conflict arose. The article then explores the doctrine of sovereign immunity as applied through the eleventh amendment. [An important part of this section is the examination of the confusion surrounding passage of the eleventh amendment.] Finally, this article discusses how this conflict can be resolved.

II. COPYRIGHT

Copyright is an often misunderstood form of protection. This may be due to its relatively short historical presence. Copyright, unlike many of our modern laws, did not develop from the common law. The first protections were introduced in eighteenth century England with the Statute of Anne. Seventy years later in the United States, the Continental Congress, at the suggestion of James Madison, urged the States to pass individual state copyright laws. These laws offered the first forms of copyright protection in the United States. Many people, however, believed that a federal copyright law would be more effective. Madison, a strong proponent of copyright and patent protection, addressed the issue in his bid for a new federal constitution. This focus,
along with the original argument that copyright was necessary "for the Encouragement of learned Men to compo[s]e and write u[s]eful Books,"8 served as the basis for the copyright-patent clause of the United States Constitution.9 Three years after the adoption of the Constitution, Congress passed the first federal copyright act.10

Historically, the purpose of copyright is divided into two competing views. The first argues that the copyright system serves the public by providing accessibility to creative works.11 The second contends that a copyright is a property right or inherent right stemming from an author's act of creation.12 Under this second view, the primary concern is the protection of an author's rights. This concept has caused some disagreement among commentators (conflict),13 perhaps due to the lack of supporting information.14 (These views are problematic, considering society's underlying assumptions about the nature and purpose of copyright.)

Understanding the specific protections of copyright statutes and the intent behind them have been a prevailing problem. Since the introduction of the first federal copyright act, the laws have been under almost (continuous) revision.15 As the needs of both author and society have changed, so, too, have the copyright laws. For example, the Committee Report to the 1909 Copyright Act advanced the view that copyright legislation is predicated upon the concept of promoting progress of science and useful arts in order to benefit the public welfare, not upon protecting any natural right of the author.16 Clearly, the dominant intent was to benefit the public more than to protect the author. Compare the intent as stated by the House Committee on the Judiciary, 87th Congress, in its Report of the Register of Copyrights: "to foster the growth of learning and culture for the public welfare, on the grant of exclusive rights to authors."17 Contrary to the first view, this intent is clearly di-

8. 8 Anne, ch. 19, § 1 (1710).
11. Twentieth Century Music Corp. v. Aiken, 422 U.S. 151 (1975). (Private motivation must serve cause of promoting broad public availability of literature, music, and other arts.)
12. Chafee, supra note 6, at 506-07.
13. Id.
15. To date, the laws have been revised roughly every 60 years since the introduction of the first copyright law in 1890.
17. HOUSE COMM. ON THE JUDICIARY, 87TH CONG., 1ST SESS., REPORT OF THE REGISTER
rected to protection of the author. Thus, there is a balancing of needs by which the copyright laws must serve two masters. On one hand, society needs the work of "learned men" for its growth. On the other hand, the rights of the author must be protected in order to encourage further production and dissemination of the work. This delicate balance can be maintained only by a fair and just judiciary.

This balance was first recognized by the Supreme Court in 1834 in *Wheaton v. Peters*, in which the Court held that copyright was a statutory right, not a common law property right or natural right of the author. This case is important because it was the first time the Court subordinated the author's protection to the public interest. Also of importance is the fact that an author's rights were held only statutory and not natural. This attitude against an author's rights has been affirmed by the court on many occasions since *Wheaton*. As a result, the specific protections offered an author by way of the copyright laws have been left to Congress.

With the adoption of the 1976 Copyright Act, protection for the emergent forms of communication and expression began to grow. In particular, section 117 of the act specifically addressed computer programs under copyright. Computers, however, are not the only forms of communication or expression being protected. Others, such as communications and entertainment media, demand protection as well. As the need for protections offered under the copyright act expand, it becomes increasingly necessary to look at the intent rather than the letter of the law. Just as it becomes clear that not all emerging forms of expression can be foreseen, it is equally clear that not all needs for protection can be stated simply in a comprehensive single law.

Copyright has always tried to achieve a fine balance between the needs of society and the rights of the author. That balance has never been more frail than it is in today's rapidly advancing techno-society. Our society would grind to a halt without the protection copyright pro-

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18. 33 U.S. 591, 655-58 (1834).
19. *Id.* at 661.
20. There had previously been many attempts at convincing the courts that these rights were natural rights. *See* Fenning, *supra* note 14, at 114-20.
21. *See* Caliga v. Inter Ocean Newspaper Co., 215 U.S. 182 (1909) (copyright owner's property right obtained solely by statute); Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908) (affirming that copyright property under federal law is wholly statutory); American Tobacco Co. v. Werk-meister, 207 U.S. 284, 291 (1907) (copyright is a creature of federal statute).
23. *Id.* § 117.
vides for tomorrow's inventors and artists. If BV Engineering is any indication, that future is terribly close to becoming reality.

III. BV ENGINEERING: THE CASE

On April 17, 1987, BV Engineering, a California company, filed claims for copyright infringement, trademark infringement, and breach of contract against the University of California at Los Angeles and the Regents of the University of California. The complaint alleged that the Regents, by means of the University, illegally copied seven of BV Engineering's copyrighted software programs and associated documents.24 By stipulation, the suit was restricted to seven counts of copyright infringement under the 1976 Copyright Act.

Both parties moved for summary judgment. The Regents' motion was based upon the immunity from suit granted by the eleventh amendment of the United States Constitution. The trial court narrowed the issue to whether the Copyright Laws created a right for money damages in a cause of action against an unconsenting state. The court held that the copyright laws did not specifically allow for such action and granted the Regents motion.

The trial court's decision relied heavily on Atascadero State Hosp. v. Scanlon,25 a recent Supreme Court case that (established) the foundation by which a party may sue a state in federal court. This case has become the primary focus regarding the future of eleventh amendment immunity questions. It is imperative, not only for copyright but for other areas as well, that the courts grasp and address the conflicts created by Atascadero and the eleventh amendment immunities.

IV. THE ELEVENTH AMENDMENT AND STATE IMMUNITY

The problem in BV Engineering is whether states can be brought into federal court to answer for wrongs they have committed. This is a problem of state immunity that has no easy answers. To find the answers, one must first understand the doctrine of sovereign immunity. This is best done by understanding the history of the eleventh amendment.

The eleventh amendment is typically viewed as a jurisdictional limitation; however, it is better understood as an instrument of American Federalism.26 The Constitution contains no explicit adoption of a prin-

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24. It should be noted that copyright is not the only protection available for computer software, but it is the form most readily available and easiest to use. Other types of protection include patent law, trademark, and trade secret.


ciple of state sovereign immunity. In fact, the records of the Constitutional Convention do not reveal any substantial controversy concerning the state-citizen diversity clause. An examination of the debates surrounding the state ratification conventions proves more productive.

In the late 1780's, the nation was still young. It was also recovering from the war for independence, and several states had accrued tremendous debts in the war. This was a "serious" concern for many, including the framers of the constitution. The question of state amenability to suit in federal court was often addressed, with the Virginia debates "involving" the most detailed discussion of this issue.

Debate raged between James Madison, a Federalist, and Patrick Henry, an anti-Federalist. The debate surrounded the powers of the federal judiciary as enunciated in article III. Speaking on the topic, Madison stated:

It is not in the power of individuals to call any state into court. The only operation it can have, is that, if a state should wish to bring a suit against a citizen, it must be brought before the federal court. This will give satisfaction to individuals, as it will prevent citizens, on whom a state may have a claim, being dissatisfied with the state courts.27

Madison, like many of the Federalists, argued that article III judicial power, at least under the state-citizen diversity clause, was limited to cases in which the states were plaintiffs. Supporting Madison's contentions, Alexander Hamilton later wrote in the Federalist, No. 81, that "[i]t is inherent in the nature of sovereignty not to be amenable to the suit of an individual without its consent." From this, it is clear that many people believed that the individual states would retain their sovereignty, while gaining in the process a forum by which they could seek retribution.

When Patrick Henry spoke to the delegation, he addressed Madison's remarks by saying, "As to controversies between a state and the citizens of another state, his construction of it is to me perfectly incomprehensible. He [Madison] says it will seldom happen that a state has such demands on individuals. There is nothing to warrant such an assertion." Turning to the question of state-citizen diversity Henry continued:

What says that paper [the constitution], that it shall have cognizance of controversies between a state and citizens of another state, without discriminating between plaintiff and defendant. The contrary - that the state can only be plaintiff. When the state is debtor, there is no reciprocity. It seems to me that gentlemen may put what construction they please on it.

In closing, Henry asked the most important question: "Is justice to be

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27. 3 THE DEBATES IN THE SEVERAL STATE CONVENTIONS ON THE ADOPTION OF THE FEDERAL CONSTITUTION 526 (J. Elliot ed. 1891).
done to one party, and not the other?" 

Although the Constitution was eventually ratified, the exact nature of the federal courts' powers were never clarified. An attempt at clarification was made when Congress provided in section 13 of the First Judiciary Act:

\[\text{[T]he Supreme Court shall have exclusive jurisdiction of all controversies of a civil nature, where a state is a party, except between a state and its citizens; and except also between a state and citizens of other states, or aliens, in which latter case it shall have original but not exclusive jurisdiction.}\]

Notwithstanding this provision, the question regarding the states' accountability to the federal court remained unanswered.

This question was addressed in the Supreme Court case *Chisholm v. Georgia*. The case involved an action in assumpsit for the price of military goods sold to Georgia in 1777. Precisely as feared by the framers, the action was brought against the state because of debts incurred during the Revolutionary War. In its decision, the Court, based on the language in article III, held that federal jurisdiction extended to suits against states under the state-citizen diversity clause. The decision "created such a shock of surprise that the eleventh amendment was at once proposed and adopted."

The Court's decision was handed down on February 18, 1793. On February 19, a resolution was introduced in the House of Representatives, calling for a bill that would bar a state from liability to a party defendant in any judicial court established under the authority of the United States. Another resolution, which was similar to the eleventh amendment as eventually adopted, was introduced in the Senate on February 20, 1793. But, before either resolution could be passed, the Congress adjourned. By the time they reconvened in December 1793, other suits against states had been brought in the Supreme Court.

28. *Id.* at 543.
29. 1 Stat. 73, 80 (1790).
30. 2 U.S. (2 Dall.) 419 (1793).
31. The precise facts have been the subject of scholarly dispute. See 1 C. Warren, *The Supreme Court in United States History* 93, n.1 (1922) (plaintiff was an executor representing a note on behalf of a British citizen). *Cf.* Mathis, *The Eleventh Amendment: Adoption and Interpretation*, 2 Ga. L. Rev. 207, 217-18 (1968) (plaintiff was an executor of the estate of a South Carolina citizen).
34. The resolution read:

The Judicial power of the United States shall not extend to any suits in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign State.

3 Annals of Cong. 651-52 (1793).
These new actions elicited strong reactions from the individual states. Massachusetts, reacting to a suit against it, enacted a resolution calling for "the most speedy and effectual measure" to obtain a constitutional amendment, including a constitutional convention.\textsuperscript{35} Virginia followed with a similar resolution.\textsuperscript{36} Less than one year after the \textit{Chisholm} decision, and one month after Congress had reconvened, a resolution was introduced in the Senate that would ultimately become the eleventh amendment.

Concern for the protection of the individual state treasuries was the prime motivating factor leading to the adoption of the eleventh amendment. However, this concern has created a continual stumbling block for those who must deal with the states in seeking justice.

\section*{V. THE ELEVENTH AMENDMENT TODAY}

The Supreme Court's interpretation of article III in \textit{Chisholm} started the movement which culminated in the adoption of the eleventh amendment. Similarly, the Supreme Court's decisions in other cases have helped to shape today's doctrine of state immunity. This doctrine, stated simply, is that "the fundamental principle of sovereign immunity limits the grant of judicial authority in article III."\textsuperscript{37} The Court acknowledges, though, that the supposed lack of judicial power may be remedied by the state's consent or by an express congressional abrogation pursuant to section five of the fourteenth amendment.\textsuperscript{38}

While a state may waive its immunity, the Court has held that it will recognize such a waiver "only where stated 'by the most express language or by such overwhelming implication from the text as [will] leave no room for any other reasonable construction'".\textsuperscript{39} Likewise, when determining if congress has abrogated a state's eleventh amendment immunity, the Court will require "an unequivocal expression of congressional intent to 'overturn the constitutionally guaranteed immunity of the several States.'"\textsuperscript{40}

Some people have vehemently attacked those special statutory drafting rules.\textsuperscript{41} The rules, as others would argue, are merely a genuine effort to determine Congress' intent. Nevertheless, the Court's sover-

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\textsuperscript{35} 1793 Mass. Acts 45.
\textsuperscript{36} 1793 Va. Acts 52.
\end{flushleft}
eign immunity doctrine, at least in this sense, has produced some unfortu-
nate results. It has led to the development of a complex body of
technical rules mandated by the need to circumvent the limitations
placed upon parties in previous decisions. For many, the concept of
sovereign immunity, as applied through the eleventh amendment, is
confusing. The Court's attempts at clarification have been ambiguous,
and legislative attempts are not much better. Thus, these attempts have
culminated in the recent Supreme Court case of Atascadero State Hospi-
tal v. Scanlon.

A. THE ELEVENTH AMENDMENT UNDER ATASCADERO

The decision in Atascadero announced two specific instances under
which an individual may bring a state into federal court. These are
when the state has waived the immunity guaranteed by the eleventh
amendment, or when Congress, through legislation, has revoked those
rights. While these concepts seem simple on the surface, the Court
has complicated matters by only recognizing actions by either the state
or the Congress under specific instances.

The Court, in Atascadero, held that although a state's general
waiver of sovereign immunity may subject it to suit in state court, such
waiver is insufficient to waive the immunity guaranteed by the eleventh
amendment. This includes any waiver in a state statute or a state con-
stitution. A waiver must be specific in the language regarding the
state's intention to subject itself to suit in federal court. Cite 45.

The Court further held that in order for Congress to revoke immu-
nity under the eleventh amendment, it must act pursuant to section five
of the fourteenth amendment. Also, Congress must make its intention
to quash those rights of immunity unmistakably clear in the language of
the statute. Finally, the Court held that mere receipt of federal funds
would not subject a state to suit in federal court, even though the ac-
tions involved an activity for which the funds were expended.46

The doctrine of state immunity under the eleventh amendment, as
announced in Atascadero, requires strict adherence to a complicated set
of rules. An interpretation of the statutory language to determine in-
tent is insufficient when determining any question of immunity. Specif-
ically, both the state and Congress must be very clear in their intentions

42. For example, a State may be required to obey federal laws, as long as the plaintiff
remembers to name a state official rather than the State itself as a defendant. See Ex
Parte Young, 209 U.S. 123 (1908). Alternatively, relief may be sought if it is prospective
44. Id. at 238.
45. Id. at 241.
46. Id. at 238-40.
to abrogate a state's immunity. While this seems to clarify any question of state immunity, Atascadero falls far short of its goal. Many questions concerning a state's amenability to suit in federal court remain unanswered. These questions arise primarily in the context of the conflict between federal copyright laws and the eleventh amendment.

VI. THE ELEVENTH AMENDMENT v. THE COPYRIGHT LAWS: AN ANALYSIS

The conflict between the eleventh amendment and the copyright law creates tension between the interests of the state and the author. Unfortunately, the courts are divided in their application of these two theories and in resolving the conflict between interests. On one hand, there is an interest in protecting the state, which is generally exhibited as a concern for the fiscal welfare of the state. Without that protection, the government would be unable to function. On the other hand, there is an interest in protecting the author and the need “to promote the Progress of Science and useful Arts.” This delicate balance is not easily achieved. Reviewing the case (law?) (history), it becomes clear that no hard and fast rule can be established by which this conflict can be easily remedied. How then are the courts to tackle such a perilous problem?

The first step in dealing with this issue is to adopt a uniform interpretation of the copyright statutes. According to the 1976 Copyright Act, “Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright.” This rule appears clear, except for the definition of “anyone.” One possible interpretation would include (persons and corporations, as well as) the individual states. Unfortunately, under the reasoning in Atascadero, the term “anyone” does not clearly show Congress' intent to abrogate the state's immunity. Prior to the Atascadero case, the courts interpreted “anyone” to include the states. The trial court in BV Engineering, however, based on Atascadero, interpreted the statuted narrowly to not

47. See Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) (a state school was sued after its band teacher had copied a copyrighted song without the owner's permission. The court held that the school could not be held liable because such liability would be a drain on the state treasury). Cf. Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) (the state was sued when a remote arm, the Arizona Fair Board, copied and used a copyrighted song without permission of the owner. Here the court held that the state would be liable. The court held that the 1909 Copyright Act authorized suit against a broad class of defendants, including states).
48. 8 Anne, ch. 19 (1710).
50. See Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979).
include states within the definition. If this interpretation becomes the accepted view, then something else must be done.

Congress has the power to provide one solution to the problem by clarifying the word "anyone." (The author would recommend adding) "anyone" to the list of definitions under section 101 of the statute.\(^5\) This would indicate Congress' intent by assigning a single definition to the word. A second solution would be to revise the statute so it directly addresses state immunity. Congress could then reserve certain rights to the states. A third solution would be to promulgate a separate statute placing jurisdiction for such cases directly in a specific court. This legislation would be similar to that already in place under Jurisdiction and Venue for the Court of Claims, which addresses copyright infringement cases against the United States.\(^5\) Under a similar statute, Congress could carve out a niche for those cases involving the states in copyright infringement actions.

The states could waive their own rights of immunity, but this is unlikely for several reasons. First, the states are understandably hesitant to give up such rights in exchange for an uncertain future. Even if the individual states saw the logic in such action, it would take a concerted effort on the part of every state to pass such legislation and to maintain an equitable system. The second problem involves the federal government and its sole jurisdiction over the copyright laws. Any waiver of immunity by a state in its own courts would be much different than that required for waiver in the federal courts. Thus, a state would have to adopt legislation that would specifically address a waiver of eleventh amendment rights and submit that waiver to the federal courts. This is more complicated than abrogation of those rights by Congress. When viewed from a logistics standpoint, this effort would be virtually impossible.

Finally, the courts, specifically the Supreme Court, may hold the key to a solution. No matter which path one takes (in) (answering) this question, an essential analysis of intent must be made. Using this analysis, the Court can do the most harm or the most good. The question of intent is essential, whether it is Congress' intent to abrogate a state's right, or whether it is the individual state which submits to federal jurisdiction. The Supreme Court's interpretation becomes the key to any solution.

The framers of the Constitution were well aware of the doctrine of


\(^5\) 28 U.S.C. § 1492 (1982) (w)henever the copyright in any work protected under the copyright laws of the United States shall be infringed by the United States ... the exclusive remedy of the owner of such copyright shall be by action against the United States in the Court of Claims).
sovereign immunity when they proposed the eleventh amendment. Consider Justice Brennan's point in his dissent in *Atascadero*:

> Given the Supremacy Clause and the enumeration of congressional powers in article I, the plan of the [constitutional] convention requires States to answer in federal courts for violations of duties lawfully imposed on them by Congress in the exercise of its article I powers.\(^5\)

The language of the eleventh amendment, its legislative history, and the attendant historical circumstances strongly suggest that the amendment was intended to remedy an interpretation of the Constitution that would have allowed the state-citizen and state-alien diversity clauses of article III to abrogate the state law of sovereign immunity on causes of action brought in federal court. Herein lies the confusion regarding today's doctrine as applied to federal copyright questions. The original constitution did not embody a principle of sovereign immunity as a limit on the federal judicial power. There is simply no reason to believe that the eleventh amendment established such a broad principle for the first time.

Article III grants federal question jurisdiction to the federal courts that is as broad as the lawmaking authority of Congress. If Congress, acting within its enumerated powers, creates a legal right and remedy, and neither the right nor the remedy violate any provision of the Constitution outside article III, then Congress may entrust adjudication of claims based on the newly created right to the federal courts - even if the defendant is a state.

As indicated earlier, the question of eleventh amendment interpretation is not limited to cases arising from copyright violations. Any case arising under federal law is jeopardized when such action is brought against a state and the eleventh amendment is used to block the action. Such court holdings erase any supremacy the federal courts could exercise over the States and are in direct violation of the supremacy clause.

**VII. CONCLUSION**

Bert van den Berg and his company have appealed the decision of the trial court. His case has garnered the attention and support of many who are protected under the copyright laws. This includes publishers, authors, and others who find protection for their work under the copyright laws. The copyright office also took notice of the case. Shortly after the decision in *BV Engineering*, it called for comments and suggestions on this important issue. Regardless of the outcome of this case, and until either the Congress, the States, or the Court seizes upon the issue and corrects it, there will remain a glitch in the system.

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The Supreme Court's doctrine places insurmountable barriers in front of the copyright holder. These barriers must be overcome if society is to grow and prosper. The issue of eleventh amendment immunity is no longer a fencepost behind which states owing revolutionary war debts can hide. No longer should eleventh amendment immunity be a jurisdictional stumbling block.

Our society, governmental agencies included, has become reliant on the productivity of many who find protection for their works under the copyright laws. Computer software is only one of those areas. What would be the future of government cooperation if all the engineering firms were afraid to work with the individual agencies out of fear that their best work would be stolen? Ask those at BV Engineering. It is clear that something must be done.