

ARTICLE

LIBERTY AND PROPERTY IN THE PATENT LAW

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Patents have seldom troubled civil libertarians. A specialized form of property, patents seemed pertinent to the technologies of traditional industry but little else. Patent

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instruments offered their readers mere technical documentation; patent cases presented no more than the mapping of a text onto an instantiated artifact; patent policy was principally oriented toward economic optimization of the length and scope of protection.¹

Unbound from technology, contemporary patent law now seems a more robust discipline. Modern patent instruments appropriate a diverse array of techniques that span the entire range of human endeavor.² Patent claims, cut loose from physical moorings, have grown more abstract and oriented toward human behavior.³ We have yet to realize fully the consequences of post-industrial patenting, but the potential impact of the patent law upon personal liberties is becoming more apparent and more worthy of concern. Although the principles of the patent canon demonstrate sufficient flexibility to regulate uses of such inventions as software,⁴ business methods,⁵ and genetic fragments,⁶ they persist in bearing little regard for civil rights. The private rulemaking, made possible through the patent law, holds the potential to impinge upon individual liberties in ways not previously considered possible.

This Article begins in Part I with an overview of contemporary patent acquisition and enforcement. Transformed to meet the commercial demands of post-industrial enterprise, the patent system now is marked by limitless subject matter, lenient public grant, and the possibility of vigorous private enforcement. Patents were once the province of commercial enterprises seeking to preserve market share. As suggested by the notorious human chimera application of Jeremy Rifkin and

1. See John S. Leibovitz, *Inventing a Nonexclusive Patent System*, 111 YALE L.J. 2251, 2254 (2002) (noting that the length and breadth of patents are “familiar dimensions . . . policy makers can manipulate” to improve economic efficiency).

2. Refer to notes 22–33 *infra* and accompanying text (discussing the vast array of subject matter in contemporary patent law); see John R. Thomas, *The Patenting of the Liberal Professions*, 40 B.C. L. REV. 1139, 1139–42 (1999) [hereinafter Thomas, *Liberal Professions*] (chronicling patent regime expansion from the technological innovations of the Industrial Revolution to the broad categories of subject matter patentable today).

3. Refer to notes 22–33 *infra* and accompanying text (noting the recent increase in patents issued in areas including art, athletics, architecture, and economics).

4. See generally Wesley L. Austin, *Software Patents*, 7 TEX. INTELL. PROP. L.J. 225, 226–53 (1999) (discussing the case law leading up to and establishing software patentability in the United States).

5. See generally Kevin M. Baird, *Business Method Patents: Chaos at the USPTO or Business as Usual?*, 2001 J.L. TECH. & POL’Y 347, 347–52 (2001) (tracing the history of business method patentability from initial judicial rejection to modern day acceptance).

6. See generally Molly A. Holman & Stephen R. Munzer, *Intellectual Property Rights in Genes and Gene Fragments: A Registration Solution for Expressed Sequence Tags*, 85 IOWA L. REV. 735 (discussing the “intense controversy” surrounding the patentability of gene fragments and the response of the U.S. Patent Office).

Stewart Newman,⁷ patenting now offers an accessible mechanism for the suppression of objectionable behavior.

Part II of this Article explores further the use of patents as instruments of public advocacy. It discovers in the public rolls granted patents that regulate access to abortion procedures, limit the ability to comply with federal law, and suppress speech.

In Part III, this Article concludes that constitutional protections such as substantive due process, equal protection, and freedom of speech are unlikely to be of direct application during patent litigation. The reason is that patentees are not ordinarily state actors, and thus are unrestricted by the Bill of Rights. This determination holds startling consequences. If Congress unduly restricted a fundamental liberty interest, a facial challenge would prove fatal to the statute. Yet if the U.S. Patent Office (Patent Office)⁸ issued identically worded patent claims to a private actor, the patent could be freely enforced without regard to constitutional limitations.

Part IV of this Article recognizes that post-industrial patenting implicates constitutional values in ways that the venerable patent canon does not acknowledge. Reasoning that the courts will remain the principal custodians of a patent system in transition, this Article suggests that the faint but persistent nondelegation doctrine may hold lessons for the modern patent community.⁹ Viewing patents as delegated rulemaking offers a resonant point of departure for assessing the scope of patent rights and the procedural merits of longstanding patent practice. This Article closes by encouraging further consideration of the nondelegation doctrine as a mechanism for curbing the excesses of the contemporary patent system.

I. PATENTING AS PRIVATIZATION

The regime of patents stands among the federal government's early efforts at privatization. In lieu of establishing a system of national laboratories or scheme of prizes, the Framers instead opted to harness the energies of private enterprise to advance the "useful Arts."¹⁰ In the style of a Letter

7. Refer to notes 37–51 *infra* and accompanying text (discussing the human chimera patent application, which claims a method for combining human and embryo cells to produce a single embryo).

8. The "U.S. Patent Office" is more properly termed the United States Patent and Trademark Office. *See* 35 U.S.C. § 1 (2000).

9. Refer to notes 294–369 *infra* and accompanying text (examining the possible role of the constitutional principle of nondelegation in limiting expansive modern patent law).

10. U.S. CONST. art. I, § 8, cl. 8.

of Marque,¹¹ the patent law allows inventors to reap the economic rewards of their innovative activity.¹² The patent law does so by granting inventors exclusive rights in their claimed inventions.¹³ Others bear the duty to avoid the patented invention,¹⁴ an obligation enforced by injunction¹⁵ and monetary damages.¹⁶

The patent system traditionally encouraged innovative activity only within a discrete aspect of human endeavor. As conceived by the English Statute of Monopolies of 1623¹⁷ and applied for nearly four centuries, the patent system concerned applied technology.¹⁸ Pragmatic innovation within the core disciplines of biology, chemistry, physics, and allied engineering disciplines was patentable.¹⁹ Matters of aesthetics, business acumen, social observation, or personal skill remained without the patent system no matter how novel or innovative.²⁰ Creative endeavors within such fields fell within intellectual property regimes with a less robust set of proprietary rights, or simply were not amenable to privatization at all.²¹

The regulatory scope of the patent system has expanded dramatically in recent years. Emblematic of this trend is the

11. See U.S. CONST. art. I, § 8, cl. 11 (empowering Congress to “grant Letters of Marque and Reprisal”); BLACK’S LAW DICTIONARY 627 (6th ed. 1991) (defining letter of marque and reprisal as “[a]n authorization formerly granted in time of war by a government to the owner of a private vessel to capture enemy vessels and goods on the high seas”).

12. See 35 U.S.C. §§ 153–154, 261 (governing patent issuance, provisional, and ownership rights).

13. See U.S. CONST. art. I, § 8, cl. 8 (empowering Congress to secure “for limited times to Inventors the exclusive Right to their respective . . . Discoveries”); see also 35 U.S.C. § 154(a)(1) (“Every patent shall . . . grant to the patentee . . . the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States . . .”).

14. 35 U.S.C. § 271 (imposing patent infringement liability for specified acts of nonavoidance).

15. *Id.* § 283.

16. *Id.* § 284.

17. See Thomas, *Liberal Professions*, *supra* note 2, at 1143 n.22 (citing to “the forebearer of contemporary patent legislation, the English Statute of Monopolies of 1623,” 21 *Jam. I*, ch. 3 (1624)).

18. See *id.* at 1143 (suggesting that patent law was originally intended to encompass only “manufactures,” human-made artifacts).

19. See Orin S. Kerr, *Are We Overprotecting Code? Thoughts on First-Generation Internet Law*, 57 *WASH. & LEE L. REV.* 1287, 1295 (2000) (recognizing as a fundamental axiom of traditional patent law that “any patentable invention had to rest on some interaction with realspace, with the natural world of physics, chemistry, and biology”).

20. See Thomas, *Liberal Professions*, *supra* note 2, at 1181 (noting that matters including social observation, human behavior, business methods, and aesthetics would be exempt from the patent system today under the original industrial application standard).

21. *Id.* (observing that subject matters which “do not involve the creation or transformation of material objects and are not repeatable in an industrial sense” fail to satisfy the requisites of patentability).

1998 decision of the Court of Appeals for the Federal Circuit in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*²² In *State Street*, the Federal Circuit held that a computerized system for managing a stock fund constituted patentable subject matter.²³ Rejecting the venerable bar on the patenting of business methods, the court proclaimed anything that achieved “a useful, concrete and tangible result” was eligible for patenting.²⁴ Soon after, another Federal Circuit opinion said it best: “virtually anything is patentable.”²⁵

The *State Street* decision held dramatic consequences for the patent system. Industries long strangers to patenting, such as insurance, financial services, and advertising, have begun filing applications at the Patent Office.²⁶ E-commerce patent litigation has already entered the judicial arena, with hardly a week passing without word of another lawsuit filed pertaining to a patented advertising, auction, or sales technique.²⁷ Patents appropriating such unlikely techniques as artistic methods,²⁸ athletic moves,²⁹ architectural styles,³⁰ and macroeconomic theories³¹ would once have been relegated to a popular compilation of unusual patents,³² but now they have become too commonplace to ignore. The patent system has once again entered the public consciousness, inspiring numerous editorials and commentaries.³³

22. 149 F.3d 1368 (Fed. Cir. 1998).

23. *Id.* at 1370.

24. *Id.* at 1373, 1375–77.

25. *Hughes Aircraft Co. v. United States*, 148 F.3d 1384, 1385 (Fed. Cir. 1998) (Clevenger, J., dissenting from an order denying rehearing *en banc*).

26. See Jeffrey A. Berkowitz, *Business-Method Patents: How to Protect Your Clients' Interests*, 688 PLI/PAT. 7, 9–11 (2002) (emphasizing the “new era” importance of patents in the business community and other traditionally nontechnical areas).

27. See Karen Rodriguez, *Dot-coms Scramble for Patent Protection in Record Numbers*, BUS. J., Sept. 8, 2000, at 9 (reporting a “swelling rash” of patent infringement lawsuits following a dramatic increase in Internet patent grants), available at 2000 WL 26139882.

28. U.S. Patent No. 6,022,219 (issued Feb. 8, 2000) (“Painting Kit and Related Method”).

29. U.S. Patent No. 5,616,089 (issued Apr. 1, 1997) (“Method of Putting”).

30. U.S. Patent No. 5,806,260 (issued Sept. 15, 1998) (“Restaurant and Hotel Combination”).

31. U.S. Patent No. 6,112,188 (issued Aug. 29, 2000) (“Privatization Marketplace”).

32. *E.g.*, RICK FEINBERG, PECULIAR PATENTS: A COLLECTION OF UNUSUAL AND INTERESTING INVENTIONS FROM THE FILES OF THE U.S. PATENT OFFICE (1994).

33. See Editorial, *Patent Wrongs*, WASH. POST, Feb. 25, 2001, at B6 (critiquing the “abuse” of drug patents by firms in the pharmaceutical industry), available at 2001 WL 2546763; Lawrence M. Sung & Jeff E. Schwartz, *Business Method Defense*, 22 NAT'L L.J. 33, Apr. 10, 2000, at B8 (“Public scrutiny of patent protection in the United States has arguably risen to unprecedented levels.”).

Once the patent system was restricted to technology.³⁴ The contemporary consensus is that patenting embraces the entire commercial world.³⁵ Now a persistent trend suggests that the patent system holds further possibilities for other sorts of innovators.³⁶ Having fully embraced post-industrial innovation, our patent system is now ripe for postmodern uses. Formerly the province of technology-driven enterprises seeking to appropriate the physical artifacts they brought to market, the patent system now offers a robust mechanism for preemption of the behaviors, techniques, and activities that political actors wish to segregate from the marketplace of ideas. Stated succinctly, the U.S. patent system has already begun to serve as an instrument for public advocacy.

Consider the human chimera application recently filed by noted anti-biotechnology crusader Jeremy Rifkin.³⁷ Through organized protest and passionate writing, Rifkin has advanced his strident objections to biotechnology for over two decades.³⁸ Among his concerns is the patenting of living inventions.³⁹ Rifkin holds that biotechnology patents demean life, disrupt the traditions of the agricultural community, encourage genetic prospecting of the pharmacopeia of traditional peoples, and accelerate the advance of a technology which holds fearful consequences for humanity.⁴⁰ Rifkin's protests reached the U.S. Supreme Court through the mechanism of an amicus curiae brief in *Diamond v. Chakrabarty*.⁴¹ Although ultimately holding that bioengineered microorganisms were patentable, the Court acknowledged Rifkin's concerns as a "parade of horrors" that Congress should address.⁴²

34. Refer to notes 17–21 *supra* and accompanying text (commenting on the historical confinement of the patent regime to artifacts of the Industrial Revolution).

35. Refer to notes 22–33 *supra* and accompanying text (discussing the Federal Circuit's decision in *State Street* and its aftermath).

36. *Id.*; see also Thomas, *Liberal Professions*, *supra* note 2, at 1140–41 (“[T]he scope of the statutory term ‘process’ appears co-extensive with nearly any possible endeavor [that] can be articulated in a series of steps in the fashion of patent instrument.”).

37. The patent application, covering the production of chimeras up to 50% human, was filed on December 18, 1997. Thomas A. Magnani, *The Patentability of Human-Animal Chimeras*, 14 BERKELEY TECH. L.J. 443, 443 (1999).

38. See Paul S. Naik, *Biotechnology Through the Eyes of an Opponent: The Resistance of Activist Jeremy Rifkin*, 5 VA. J.L. & TECH. ¶¶ 5, 15–17 (2000).

39. *Id.* ¶¶ 86–91 (discussing Rifkin's beliefs that the patenting of life forms would lead to adverse and far-reaching genetic and social impacts).

40. *Id.* ¶¶ 18–31.

41. 447 U.S. 303 (1980); see also Naik, *supra* note 38, at ¶¶ 85–91 (summarizing Rifkin's three main arguments in his amicus brief opposing the grant of a patent for a genetically altered bacterium).

42. *Diamond*, 447 U.S. at 316–18.

Rifkin's long-held views suggest that he would be loathe to file a patent application claiming an invention of biotechnology. Not so. Along with cellular biologist Dr. Stuart Newman, Rifkin has recently filed a patent application claiming a method for combining human and animal embryo cells to produce a single embryo.⁴³ This embryo could then be implanted in a human or animal surrogate mother, resulting in the birth of a "chimera," or mixture of the two species.⁴⁴ The Newman-Rifkin application specifically mentions chimeras made in part "from mice, chimpanzees, baboons, and pigs."⁴⁵ Researchers have experimented with these hybrid beings as subjects for drug testing and as a source of replacement organs for ailing humans.⁴⁶

Newman and Rifkin are unusual inventors in that they hope that their patent application is ultimately rejected.⁴⁷ Their aim is to provoke debate on the patentability of living inventions.⁴⁸ They do not seek to practice their invention, and hope that others will not either.⁴⁹ Yet Newman and Rifkin must realize that if the Patent Office does allow their patent to issue, they still will have gained a victory of sorts. As patentees, Newman and Rifkin would be appointed the private regulators of chimera technology.⁵⁰ Most notably, any issued patent would enable them to enforce a twenty-year moratorium on the use of chimera technology within the United States.⁵¹

The human chimera application presents a compelling example of using patents to block the objectionable behavior of others. It is not an isolated one. The roll of granted patents already suggests the very real prospects of a pro-life group filing

43. See Magnani, *supra* note 37, at 446 (describing the three techniques covered under the Rifkin-Newman patent application for combining human and animal cells).

44. *Id.* at 445-46 (comparing one technique covered by the patent to a procedure used in the 1980s to create an animal called a "geep" that was part goat and part sheep).

45. *Id.* at 446-47.

46. See Paul Recer, *Debate on Cell Research May Lead to Judicial Definition of "Human,"* DALLAS MORNING NEWS, June 19, 1999, at 4A.

47. See Magnani, *supra* note 37, at 443 (noting that Newman and Rifkin hope for rejection to result in Patent Office procedural alterations to prohibit future patenting of similar genetic manipulation techniques).

48. *Id.* at 443, 459.

49. See *id.* at 443 (explaining that by obtaining the patent, Newman and Rifkin hope to prevent other scientists from creating human-animal chimeras long enough to convince the American public to support an outright ban on such techniques).

50. See Recer, *supra* note 46, at 4A (recounting that, according to Rifkin, the human-chimera patent would cover all research activities in which scientists insert human genes into laboratory animals).

51. *Id.*; see also 35 U.S.C. § 154(a)(2) (2000) (providing that a patent term begins on the issue date and ends twenty years from the application filing date).

a patent application claiming an abortion-inducing substance, a human rights organization appropriating a racial profiling technique, or one political party claiming that another's soft money campaign financing infringes its intellectual property rights. Whether or not Newman and Rifkin are judged to be the inventors of human chimera technology, they may one day be identified as the champions of a provocative and distorting use of the patent system. The early stewards of our patent system never envisioned the prospect of public advocates anticipating objectionable activities, prosecuting patent applications, and being granted a proprietary interest in prohibitive regulation.⁵² Historical suspicions aside, the consequences of a postmodern patent system are disturbing for other reasons.

One concern arises from the fact that the patent right is an exceptionally robust one. Although the twenty-year patent term is short in comparison to other intellectual property rights,⁵³ few restraining doctrines allay a patent's scope of exclusivity. Liability rests solely upon a comparison of the text of the patent instrument with an accused infringement, whether or not the defendant derived the invention from the patentee.⁵⁴ The patent law also lacks an effective defense in the nature of copyright law's fair use privilege.⁵⁵ Nor does patent law charge the patentee with practicing the patented invention in order to fulfill public demand.⁵⁶ Patent proprietors have successfully employed their intellectual property to suppress technology in the past.⁵⁷ There is little reason to suspect that patents may not be used successfully as moratoria in the future.

52. Cf. Thomas, *Liberal Professions*, *supra* note 2, at 1164 (suggesting that the Framers viewed patentable subject matter as including only the industrial, mechanical, and manual arts of the late eighteenth century).

53. Compare 35 U.S.C. § 154(a)(2) (providing that a patent term is ordinarily twenty years from the date of filing of the patent application), with 17 U.S.C. § 302(a) (2000) (stating that a basic copyright term endures the life of the author plus seventy years).

54. See MARTIN J. ADELMAN ET AL., *CASES AND MATERIALS ON PATENT LAW* 860–61 (1998).

55. Maureen A. O'Rourke, *Toward a Doctrine of Fair Use in Patent Law*, 100 COLUM. L. REV. 1177, 1181–211 (2000) (arguing for a patent law fair use defense in order to fill increasingly apparent gaps in existing law).

56. See Kurt M. Saunders, *Patent Nonuse and the Role of Public Interest as a Deterrent to Technology Suppression*, 15 HARV. J.L. & TECH. 389, 402 (2002) [hereinafter Saunders, *Patent Nonuse*] (“As a general rule, a patentee is not obligated, under either patent or antitrust laws, to use or allow others to use a patent.”).

57. See generally Robert P. Merges & Richard R. Nelson, *On the Complex Economics of Patent Scope*, 90 COLUM. L. REV. 839, 884–916 (1990) (finding that patentees' use of broad claims in various industries often had the effect of considerably slowing the pace of technological improvements).

Current trends in the administration of the patent regime should sound further alarms. Persistent commentary contends that the work product of the Patent Office suffers from diminished quality.⁵⁸ Many newly issued patents appear to appropriate familiar concepts that lie within the public domain. One claims an auction method that allegedly has been used at the U.S. Treasury Department for decades.⁵⁹ Another patented invention, allowing a restaurant to sell aged food at reduced prices, bears a strong resemblance to a baker's sale of day-old bread.⁶⁰ Still another, heralded by the *Wall Street Journal* as a "billion-dollar patent," claims a computerized process for carrying out an international transaction that some analysts say has been used in the field for many years.⁶¹

Perhaps the most notorious business method patent, Amazon.com's "one-click" patent,⁶² also appears to privatize an everyday commercial activity. The Amazon.com patent claims a method of ordering merchandise on the Internet with a single action, such as one click of a mouse button.⁶³ Yet anyone who has used a vending machine seems to have engaged in single-action ordering. Amazon.com nevertheless convinced the U.S. District Court for the Western District of Washington to issue a preliminary injunction shutting down a competing streamlined purchasing method.⁶⁴ Believing that the accused infringer would likely prevail in its patent invalidity argument, the Federal Circuit ultimately overturned the preliminary injunction.⁶⁵ The

58. *E.g.*, Robert P. Merges, *As Many as Six Impossible Patents Before Breakfast: Property Rights for Business Concepts and Patent System Reform*, 14 BERKELEY TECH. L.J. 577, 588-91 (1999) [hereinafter Merges, *Six Impossible Patents*].

59. U.S. Patent No. 5,897,620 (issued Apr. 27, 1999) ("Method and Apparatus for the Sale of Airline-Specified Flight Tickets"); *see also* Byron L. Winn, *Readers Say: Patently Absurd?*, FORBES, May 31, 1999, at 18 (claiming the Priceline.com patent is akin to a business method used by the U.S. Treasury Department, known as the "Dutch Auction").

60. U.S. Patent No. 6,052,667 (issued Apr. 18, 2000) ("Method and Apparatus for Selling an Aging Food Product as a Substitute for an Ordered Product"); *see also* Julia Angwin, "Business-Method" Patents, Key to Priceline, Draw Growing Protest, WALL ST. J., Oct. 3, 2000, at B1.

61. William F. Bulkeley, *E-Business: A Billion-Dollar Patent?—Software Developer Is Seeking to Protect Process Using Internet for Foreign Trade*, WALL ST. J., Aug. 28, 2000, at B1 (noting that anyone conducting computer-to-computer international trades over the Internet is a potential patent infringer).

62. U.S. Patent No. 5,960,411 (issued Sept. 28, 1999) ("Method and System for Placing a Purchase Order via a Communications Network").

63. *Id.*

64. *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 73 F. Supp. 2d 1228, 1249 (W.D. Wash. 1999).

65. *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1366 (Fed. Cir. 2001).

parties have since settled their dispute,⁶⁶ leaving an improvidently granted patent to linger on the public rolls. Having enjoyed two holiday seasons with the injunction in place, Amazon.com ought not be terribly disappointed with the Federal Circuit's decision.

Numerous factors explain our increasingly porous Patent Office. Thanks in part to broader judicial pronouncements of patentable subject matter, the number of filed patent applications has risen dramatically.⁶⁷ Actors within the financial, insurance, and healthcare management industries, once without the patent system, now aggressively seek patent protection.⁶⁸ The advent of the TRIPS Agreement,⁶⁹ a component of the World Trade Organization Agreement, has also significantly strengthened foreign patent regimes.⁷⁰ Innovative enterprises are more eager to obtain patent rights overseas than ever before, and they typically commence this process by filing a domestic application.⁷¹ The Patent Office also finds itself strapped for cash and short of qualified examiners.⁷² Miserly congressional policies have stripped funding from the Patent Office, and the high demand for skilled, knowledgeable workers makes hiring qualified technical personnel more difficult.⁷³

The stewards of our patent system have not only proclaimed all things patentable, but they have ensured that patents are

66. *Amazon Settles Suit Against Online Rival Over Buying Shortcut*, WALL ST. J., Mar. 8, 2002, at B5.

67. Bruce Kisliuk & Jessie Marshall, *Business Is Booming*, 1 PTO TODAY 1, 17–19 (Jan. 2000), at <http://www.uspto.gov/web/offices/ac/ahrpa/opa/ptoday/01.pdf> (last visited Sept. 11, 2002).

68. Berkowitz, *supra* note 26, at 9–11.

69. Agreement on Trade-Related Aspects of Intellectual Property Rights [TRIPS Agreement], Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994), available at http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm (last visited Aug. 17, 2002).

70. See J.H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement*, 29 INT'L LAW. 345, 345–60 (1995) (analyzing the effects of the TRIPS Agreement on patent protection in both developed and developing countries).

71. See 35 U.S.C. §§ 361–368 (2000) (governing international applications filed in the United States).

72. See Merges, *Six Impossible Patents*, *supra* note 58, at 606–07 (commenting on the high examiner turnover rate, caused in part by the low salaries earned by senior examiners and inadequate training for inexperienced examiners).

73. See generally John R. Thomas, *The Responsibility of the Rulemaker: Comparative Approaches to Patent Administration Reform*, 17 BERKELEY TECH L.J. 727, 728–30, 741–44 (2002) [hereinafter Thomas, *Rulemaker*] (arguing that budgetary constraints, increasing filing rates, and the broadening range of patentable subject matter contribute to the need for patent administration reform).

easier to obtain than ever before.⁷⁴ A confluence of lax public grant and the possibility for vigorous private enforcement has transformed the patent system into the ultimate regulatory regime. The appropriation of any technique, protocol, or behavior engagement, not to preserve market share but to suppress its practice, seems a very real possibility.⁷⁵

Patent law is not always the best tool for the political advocate. Patents must disclose an invention not already available within the public domain,⁷⁶ which requires advocates to anticipate behaviors they find objectionable. The Patent Act⁷⁷ also requires that issued patent instruments fully disclose the invention they appropriate,⁷⁸ a complication for patentees who wish to suppress their inventions. As well, patent rights ordinarily extend only twenty years from the date the application was filed.⁷⁹ Patents also tend to be difficult to enforce against the state. For example, the federal government may not be enjoined from practicing the patented invention,⁸⁰ and recent Supreme Court decisions have rendered enforcement against state governments uncertain.⁸¹ Still, where the technique will likely be practiced only for a discrete period of time, the actors of concern are private entities, and the number of potential infringers is limited, the patenting of that technique presents a neglected possibility for public advocacy.

Patenting has prompted concerned commentary throughout its history. When patents were confined to technology, observers tied the patent system to such issues as pricing, public health, and industry concentration.⁸² Now that our patent system has

74. See *id.* (citing reports that the Patent Office has become lenient, awarding as many as 97% of all applications, some of which appropriate knowledge considered within the public domain).

75. See generally Saunders, *Patent Nonuse*, *supra* note 56, at 391–92 (noting that technology suppression through patent nonuse—when a patentee fails to commercialize the patented product or process—“is not simply a matter of anecdotal fiction or folklore” but a “contemporary reality”).

76. 35 U.S.C. §§ 102–103 (governing the general conditions of patentability, including novelty and non-obvious subject matter).

77. See *id.* §§ 1–376.

78. *Id.* § 112 (requiring “a written description of the invention, and of the manner and process of making and using it”).

79. *Id.* § 154.

80. 28 U.S.C. § 1498(a) (2000) (providing that a patent owner’s remedy for infringement by the federal government is limited to compensatory damages).

81. See Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank, 527 U.S. 627, 630 (1999) (holding that Congress did not have the authority to abrogate states’ immunity from patent infringement claims).

82. See, e.g., Stephen Buckley, *U.S., Brazil Clash Over AIDS Drugs*, WASH. POST, Feb. 6, 2001, at A1 (discussing the clash between strong intellectual property rights and the need for generic drugs at low prices).

engaged virtually every human endeavor, it is time to recognize that patents do more than measure our nation's economic life. They present the possibility of impinging upon personal liberties long associated with core social values. This Article next considers the ramifications of a postmodern patent system.

II. PATENTING AND PUBLIC ADVOCACY

This Article considers three broad categories of patenting to demonstrate these libertarian concerns. Issued patents appropriating the artifacts and techniques of abortion, compliance with the tax laws, and speech are discussed in turn. In each of these fields, the work product of the Patent Office is allowed to speak for itself; in some cases actual litigation or licensing experience informs the inquiry. Part narration and part blueprint, this Article considers the place of patenting in a strategy for private rulemaking.

A. *Patenting Abortion*

The legislatures of the various states have persistently attempted to restrict access to abortion procedures. Some of the legislative measures have imposed residency requirements;⁸³ others have required that a married woman notify her husband that she was about to undergo the procedure;⁸⁴ still others have restricted the performance of a particular abortion technique.⁸⁵ Supreme Court rulings addressing such restrictions have come to constitute major media events, each one so thoroughly scrutinized that they have come to form part of the national legal consciousness.

Less well known is that, alongside state legislatures, the Patent Office also has issued what amounts to regulations governing the performance of abortions. The roll of granted patents includes an extensive array of products and processes for causing early termination of pregnancy. Many of these patents concern pharmacological compounds. For example, one patent instrument claims "a method of terminating pregnancy in

83. See Andrew J. Ries, *Extraterritoriality of Restrictive State Abortion Laws: States Can Abort Plans to Abort at Home but Not Abroad*, 70 WASH. U. L.Q. 1205, 1209 & n.30 (1992).

84. See *Planned Parenthood v. Casey*, 505 U.S. 833, 887 (1992) (scrutinizing Pennsylvania's abortion law to this effect).

85. See *Planned Parenthood v. Danforth*, 428 U.S. 52, 75-76 (1976) (discussing Missouri's prohibition of saline amniocentesis as an abortion technique after the first twelve weeks of pregnancy).

mammals” by administering a gonadotropic hormone;⁸⁶ another a method of terminating pregnancy through administration of specific esters;⁸⁷ still another bears the blunt title: “Abortion by Myometrial Administration of Prostaglandins.”⁸⁸

Other patents appropriate abortion methodologies in the nature of surgical tools and procedures. For example, two related patents concern the use of such disposable medical instruments as a speculum and a cannula.⁸⁹ Several others appropriate a method of terminating pregnancy prematurely through the use of an “abortifacient.”⁹⁰ When presenting claims to the Patent Office, patent solicitors have occasionally exhibited a crude awareness of judicial developments. Seemingly aware of the now outdated trimester approach of *Roe v. Wade*,⁹¹ for example, one 1974 patent limited itself to a specified “process for performing an abortion . . . during approximately the first 24 weeks of pregnancy.”⁹²

These patent instruments do more than garnish an inventor’s wall. Recent experience with the pharmacological compound mifepristone demonstrates that patents matter to the availability of abortion procedures in the United States. Dr. Etienne-Emile Baulieu invented mifepristone in 1980 and assigned the patent to his employer, the French firm Roussel Uclaf.⁹³ Commonly known as the abortion pill or RU-486, mifepristone curbs embryo growth and can cause the abortion of early-stage pregnancies.⁹⁴ Among the significant obstacles to marketing mifepristone in the United States was the Roussel Uclaf patent.⁹⁵ Activists eventually succeeded in convincing

86. U.S. Patent No. 5,356,876 (issued Oct. 18, 1994) (“Methods of Terminating Pregnancy”).

87. U.S. Patent No. 4,073,899 (issued Feb. 14, 1978) (“Method of Terminating Pregnancy”).

88. U.S. Patent No. 3,852,465 (issued Dec. 3, 1974).

89. U.S. Patent No. 3,835,843 (issued Sept. 17, 1974) (“Medical Instruments”); U.S. Patent No. 3,769,980 (issued Nov. 6, 1973) (“Medical Instruments”).

90. *E.g.*, U.S. Patent No. 3,722,500 (issued Mar. 27, 1973) (“Abortive Device and Method”).

91. *See* *Planned Parenthood v. Casey*, 505 U.S. 833, 872–73 (1992) (rejecting *Roe*’s rigid and unnecessary trimester framework and adopting instead the “undue burden” test to scrutinize abortion restrictions before viability).

92. U.S. Patent No. 3,848,602 (issued Nov. 19, 1974) (“Abortion Facilitating Device and Process”).

93. Leonard A. Cole, *Abortions Will Be Moot Soon*, N.Y. TIMES, Oct. 9, 1989, at A17.

94. *See* Rachel Zimmerman & Sarah Lueck, *FDA Approves the RU-486 Abortion Pill*, WALL ST. J., Sept. 29, 2000, at A3 (discussing the ability of RU-486 to terminate pregnancies up to seven weeks).

95. *See* Sharon Bernstein, *Secret Deals, Big Money and Abortion Politics to Bring RU-486 to This Country*, ORLANDO SENTINEL, Nov. 26, 2000, at G1 (describing the Clinton Administration’s “efforts to persuade Roussel Uclaf to either bring the drug to the United

Roussel Uclaf to assign the mifepristone patent to the Population Council,⁹⁶ a nonprofit organization concerned with reproductive health and population growth.⁹⁷ The Population Council's ownership of the pertinent patent rights was among the factors the Food and Drug Administration (FDA) considered in its September 28, 2000, decision approving the sale of mifepristone in the United States.⁹⁸

Mifepristone might not be available in the United States had more politically conservative individuals controlled Roussel Uclaf. Had Dr. Baulieu's patent been assigned to say, the National Right to Life Committee, it could have insisted it be informed about any marketing plans concerning mifepristone. At a minimum, the FDA would have been statutorily required to delay issuing marketing approval on mifepristone for thirty months, or at least until the validity and infringement of the patent were judicially determined.⁹⁹ Although the Population Council seems unlikely to part with the mifepristone patent,¹⁰⁰ a robust registry of issued patents appropriates other abortion techniques and medications.¹⁰¹ The possibility of an anti-abortion group purchasing such a patent and using it to restrict access to the claimed invention is a real one.

Patents may be conceived as a sort of private legislation. Yet important distinctions exist between public laws and privately held patents concerning abortion procedures. One is that any legislatively enacted measure restricting access to abortion procedures would be subject to constitutional review. The most recent abortion case from the U.S. Supreme Court, *Stenberg v. Carhart*,¹⁰² suggests that a blanket restriction on the use of a particular abortion technique would be unlikely to survive such

States or give up its [U.S.] patent rights").

96. *See id.*

97. *See* Population Council (detailing the Population Council's mission and accomplishments), at <http://www.popcouncil.org/about/about.html> (last visited Aug. 10, 2002).

98. *See* Zimmerman & Lueck, *supra* note 94, at A3 (indicating that the Population Council "will conduct studies of the drug after it is marketed and report back to the FDA with the results").

99. *See* Alfred B. Engelberg, *Special Patent Provisions for Pharmaceuticals: Have They Outlived Their Usefulness?*, 39 IDEA 389, 391 & n.6 (1999) (citing 21 U.S.C. § 355(c) (1994) and 35 U.S.C. § 271(e)(2)-(4) (1994)).

100. *See* Zimmerman & Lueck, *supra* note 94, at A3 (indicating that the Population Council has received grants and loans to develop mifepristone from "prominent investors, including foundations set up by Warren Buffett, George Soros and the late David Packard").

101. Refer to notes 86-88 *supra* and accompanying text (providing examples of patents issued for novel products and processes causing early termination of pregnancy).

102. 530 U.S. 914 (2000).

oversight.¹⁰³ In *Stenberg*, the Nebraska legislature criminalized the performance of a partial-birth abortion, unless the procedure was necessary to save the life of the mother.¹⁰⁴ The Supreme Court struck down the statute in part because the statute did not sufficiently account for the health of the mother.¹⁰⁵ The *Stenberg* decision suggests that, at least prior to the viability of the fetus, laws restricting access to a particular abortion technique must exempt situations where that technique is the safest alternative for the pregnant woman.¹⁰⁶

Much like the statute in *Stenberg*, each issued abortion patent provides the virtually unfettered right to exclude others from using the claimed technique.¹⁰⁷ Yet the possibility of judicial imposition of a health-based exception during private patent enforcement matters is questionable, to say the least. Neither the patent statute nor any issued patent instrument exempts individuals from patent infringement based upon their individual health needs. Closest is a recently enacted provision declaring patents on surgical procedures unenforceable against medical practitioners.¹⁰⁸ However, this legislation allows enforcement proceedings against individuals not formally licensed to practice medicine and in no way restricts the enforcement of patented pharmaceuticals, medical devices, or biotechnologies.¹⁰⁹

Another potential hook within the patent statute is the provision governing injunction awards. The Patent Act counsels courts to apply traditional equitable principles in deciding whether or not to enjoin adjudicated infringers.¹¹⁰ Although public health concerns would seem to hold a

103. See *id.* at 921–22, 938–39 (declaring the Nebraska statute's ban on "partial-birth abortions," including both dilation and evacuation ("D & E") and dilation and extraction ("D & X") procedures, unconstitutional because it imposed an undue burden on a woman's right to terminate her pregnancy).

104. *Id.* at 921–22.

105. *Id.* at 922, 931–32.

106. See *id.* at 935–38 (reviewing conflicting medical studies on partial-birth abortion techniques and concluding that a statutory ban on D & X "creates a significant health risk"; therefore, "[t]he statute . . . must contain a health exception" that permits the use of D & E as a safer alternative).

107. See 35 U.S.C. § 154(a)(1) (2000) (providing the patent owner's right to exclude others from specified acts throughout the United States).

108. *Id.* § 287(c).

109. See Brett G. Alten, *Left to One's Devices: Congress Limits Patents on Medical Procedures*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 837, 840–41 (1998) ("Section 287(c) precludes a plaintiff from filing a civil action for either monetary damages or injunctive relief against a medical practitioner or against a related health care entity for performing a 'medical activity.'").

110. See 35 U.S.C. § 283 ("[A] . . . court [] may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.").

prominent place in such an inquiry, the case law suggests that courts focus more strongly upon the patentee's proprietary interest. Observing that "the right to exclude recognized in a patent is but the essence of the concept of property,"¹¹¹ courts rely less often on health concerns than the oft-cited admonition that "protecting patents from would-be infringers is always acting in the public interest."¹¹² As explained by one district court:

While the public interest is unquestionably advanced through the marketing of potentially lifesaving devices . . . , Congress has determined it better for the nation in the long run to afford the inventors of novel, useful and non-obvious products short-term exclusivity on such products rather than to permit free competition in the goods. Congress has not seen fit to differentiate between what might be referred to as lifesaving devices and those of a more trivial or less important nature.

The public interest is served by granting injunctions to effectuate patent rights.¹¹³

With little support from the statute or judicial discretion, an accused infringer of a patented medical method or technique may seek refuge in the Constitution. Patents on abortion methods and devices seemingly raise the identical substantive due process issues parsed in *Stenberg v. Carhart*.¹¹⁴ However, the ability of a defendant in a patent infringement litigation to invoke this guarantee is not entirely clear. Constitutional defenses apply only against government entities or, under the state action doctrine, nominally private parties that enjoy sufficient connections with the government.¹¹⁵ Whether private patentees rise to this level or not must be subjected to further analysis. Before turning to this issue, this Article considers other patents that implicate constitutional values.

111. *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983).

112. *Pittway v. Black & Decker*, 667 F. Supp. 585, 593 (N.D. Ill. 1987).

113. *Eli Lilly & Co. v. Medtronic, Inc.*, 7 U.S.P.Q.2d (BNA) 1439, 1445 (E.D. Pa. 1988), *rev'd on other grounds*, 872 F.2d 402 (Fed. Cir. 1989).

114. 530 U.S. 914, 920–21 (2000) (considering the matter "in light of the Constitution's guarantees of fundamental individual liberty").

115. See Henry C. Strickland, *The State Action Doctrine and the Rehnquist Court*, 18 HASTINGS CONST. L.Q. 587, 592–93 (1991) ("A litigant seeking the protection of these guarantees must establish that the allegedly unconstitutional conduct complained of 'may fairly be said to be that of the state.'").

B. Patenting Law

Surely *State Street* stands among the Federal Circuit's most important decisions.¹¹⁶ Here, the court coolly proclaimed all things patentable.¹¹⁷ It was in *State Street* that the Federal Circuit voided 374 years of common law tradition by declaring business methods patentable;¹¹⁸ jettisoned controlling legal precedent including more finely tuned distinctions regarding the patentability of computer software;¹¹⁹ and collapsed the statutory subject matter requirement into the more lenient requirement of utility.¹²⁰ Following *State Street*, an invention need merely achieve a "useful, concrete and tangible result" to be appropriate for patenting.¹²¹

The court's string of magisterial pronouncements have diverted attention from the nature of the patent enforced in *State Street*. The Federal Circuit described the Signature patent¹²² as claiming "a data processing system . . . for implementing an investment structure which was developed for use in Signature's business as an administrator and accounting agent for mutual funds."¹²³ The secondary literature has tended to categorize Signature's patented invention as software, a computer-implemented financial product or business method.¹²⁴

116. See Gregory J. Maier & Robert C. Mattson, *State Street Bank in the Context of the Software Patent Saga*, 8 GEO. MASON L. REV. 307, 307-08 (1999) (emphasizing *State Street's* "highly significant" impact on computer-implemented business methods).

117. *State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998) (finding that statutory language "shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in § 101"; noting the Supreme Court's acknowledgement in *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980), "that Congress intended § 101 to extend to 'anything under the sun that is made by man'").

118. *Id.* at 1375 ("We take this opportunity to lay th[e] ill-conceived ['business method'] exception to rest.").

119. *Id.* at 1373-74 (abandoning "the Freeman-Walter-Abele test to determine whether the claimed subject matter [is] an unpatentable abstract idea" and establishing that patentable subject matter does not become unpatentable "simply because it uses a mathematical formula, computer program or digital computer").

120. *Id.* at 1375 (adopting a "practical utility" approach in lieu of a categorical approach focused on "the four categories of subject matter a claim is directed to—process, machine, manufacture, or composition of matter").

121. *Id.* at 1373.

122. U.S. Patent No. 5,193,056 (issued Mar. 9, 1993) ("Data Processing System for Hub and Spoke Financial Services Configuration"), cited in *State Street*, 149 F.3d at 1370.

123. *State Street*, 149 F.3d at 1370.

124. See, e.g., Neil F. Carlson, *Developing Business Process Patents and Intellectual Property*, 82 STRATEGIC FIN., Nov. 1, 2000, at 6468 (describing the Signature patent as consisting of both a financial structure and a software application), available at 2000 WL 11723053; Stephen Lesavich, *Bioinformatic Tools*, NAT'L L.J., Oct. 16, 2000, at B10 (describing the Signature patent as a business method patent that has enabled the biotech industry to protect its inventions with appropriate software patents); Robert

Closer scrutiny has revealed that the claims of the Signature patent quite closely track prevailing tax laws and Internal Revenue Service (IRS) regulations.¹²⁵ Under current tax law, a partnership of pooled stock funds will “[o]rdinarily . . . be deemed a taxable entity.”¹²⁶ Once the profits are distributed to investors, personal income tax on the dividends may be owed as well.¹²⁷ The tax code allows certain master feeder funds to avoid the onus of double taxation if the partnership follows certain accounting procedures.¹²⁸ The tax laws and IRS regulations call for, among other steps, the daily allocation of the partnership’s profits, losses, and expenses.¹²⁹

It is these accounting procedures that are recited, virtually word for word, in the claims of the Signature patent.¹³⁰ The Signature patent does add one additional stricture: the books must be maintained via computer.¹³¹ Given the size of most pooled-fund partnerships and the complexity of the mandated transactions, however, the possibility of an idiot savant poring over the accounting books each evening appears remote. In practice, these functions must be performed with a computer. As observed by Richard Stern, the Signature patent “claim[s], in substance, any ‘computerized system for complying with 26 U.S.C. § 706(d)’s requirements for pooled-fund partnerships.”¹³²

Klinger, *Learning How to Play, Win the Patent Game*, DALLAS BUS. J., Sept. 15, 2000, at 8C (describing the Signature patent as a business method patent implementing an investment structure).

125. See Richard H. Stern, *Scope-of-Protection Problems with Patents and Copyrights on Methods of Doing Business*, 10 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 105, 120–22 (1999).

126. *Id.* at 120–21.

127. *See id.*

128. *See id.* at 121.

129. 26 U.S.C. § 706(d)(2)(A) states:

If during any taxable year of the partnership there is a change in any partner’s interest in the partnership, then . . . each partner’s distributive share of any allocable cash basis item shall be determined—

(i) by assigning the appropriate portion of such item to each day in the period which it is attributable, and

(ii) by allocating the portion assigned to any such day among the partners in proportion to their interests in the partnership at the close of such day.

26 U.S.C. § 706(d)(2)(A) (2000).

130. *See State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1371 (Fed. Cir. 1998) (describing the Signature patent as claiming a system that permits the daily allocation of multiple mutual funds invested in a single portfolio, providing the exact percentage share that each mutual fund holds in the portfolio while accounting for daily changes in the values of the mutual fund and the overall portfolio).

131. *See id.*

132. Stern, *supra* note 125, at 132.

The use of patents to restrict access to legal entitlements can only be described as an unanticipated and disturbing use of the intellectual property laws. Tax law compliance patents are potentially only a modest example of the use of private instruments to thwart legislative intent to establish a broadly applicable law for the benefit of all citizens. For example, whatever policy is served through single taxation of pooled-fund partnerships, Congress presumably intended that any taxpayer might avail itself of these provisions. The tax laws include their own detailed set of fines and punishments; providing a private actor with exclusionary rights and an additional royalty seems counterintuitive at the least.¹³³

Despite these apparent concerns, the Federal Circuit has actually suggested that the legal enactment of a patented invention weighs in favor of the validity of the claim. Explaining that the invention claimed by Signature was patentable *qua* software, Judge Rich summarized the holding of *State Street* in one extraordinary passage:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces “a useful, concrete and tangible result”—a final share price momentarily fixed for recording and reporting purposes *and even accepted and relied upon by regulatory authorities* and in subsequent trades.¹³⁴

The patent at issue in *State Street* should not be understood as an isolated incident. Many other patents have issued appropriating techniques of tax and regulatory compliance.¹³⁵ The ironic possibilities created by lenient Patent Office practice have not been lost on members of the patent bar. In an interesting exercise in recursion, two licensed patent attorneys were recently named as inventors on a patent claiming a method of drafting a patent application.¹³⁶ Enforcement of any of these patents would

133. *Id.* at 133.

134. *State Street*, 149 F.3d at 1373 (emphasis added).

135. *E.g.*, U.S. Patent No. 6,161,098 (issued Dec. 12, 2000) (“Method and Apparatus for Enabling Small Investors with a Portfolio of Securities to Manage Taxable Events Within the Portfolio”); U.S. Patent No. 6,064,983 (issued May 16, 2000) (“System for Performing Tax Computations”); U.S. Patent No. 5,987,474 (issued Nov. 16, 1999) (“Computer Aided Maintenance and Repair Information System for Equipment Subject to Regulatory Compliance”); U.S. Patent No. 5,772,251 (issued June 30, 1998) (“Income Tax Information Organizer”).

136. U.S. Patent No. 6,049,811 (issued Apr. 11, 2000) (“Machine for Drafting a Patent Application and Process for Doing Same”).

potentially implicate a handful of constitutional values, including free speech, due process, and equal protection. As constitutional protections extend only against government actors, however, their application to patent enforcement matters commenced by private parties remains unclear.¹³⁷ Before considering the doctrine of state action further, this Article further reviews patents on speech.

C. *Patenting Speech*¹³⁸

In an article published the same year the Federal Circuit decided *State Street*, Professors Mark Lemley and Eugene Volokh emphasized that free speech issues arose only rarely with regard to the patent statute.¹³⁹ They explained that patentees were able to prohibit the use or sale of machines, products, and processes—activities that usually did not concern speech.¹⁴⁰ Although Lemley and Volokh concluded that courts should be mindful of “certain narrow circumstances” that might implicate First Amendment concerns, they found the patent law a far less troublesome doctrine for proponents of free speech than the copyright law.¹⁴¹

A glance through the weekly Patent Office *Gazette* demonstrates how dramatically the ambit of patenting has expanded in the few years since Lemley and Volokh wrote their article. Many recently issued patents appropriate methods of communication. Some patents appropriate communicative techniques in the nature of time, place, and manner restrictions.¹⁴² Others establish content-based restraints on

137. Refer to Part III *infra* (discussing the state action doctrine in the patent enforcement context).

138. This subtitle is used with apologies to Professor Dan Burk, who adopted the identical byline in his thoughtful piece discussing the free speech implications of software patents. See Dan L. Burk, *Patenting Speech*, 79 TEX. L. REV. 99 (2000).

139. Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 234–36 (1998); see also Andrew Beckerman-Rodau, *Prior Restraints and Intellectual Property: The Clash Between Intellectual Property and the First Amendment From an Economic Perspective*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1, 33–39 (2001) (explaining that, while “in general the patent law does not conflict with the First Amendment” because “prohibiting third parties from making, using, selling or importing a patented invention does not involve speech, but rather deals strictly with conduct”; “the patent owner’s right to prohibit anyone from offering the invention for sale [does] restrict[] commercial speech. . . . which the Supreme Court has viewed as within the domain of the First Amendment free speech protection”).

140. Lemley & Volokh, *supra* note 139, at 234.

141. *Id.* at 237.

142. *E.g.*, U.S. Patent No. 6,370,161 (issued Apr. 9, 2002) (“Time Synchronization of Distributed Computer Telephony Communication Applications in a Computer Network”); U.S. Patent No. 6,351,647 (issued Feb. 26, 2002) (“Location-Dependent Services in a Mobile Communication System”); U.S. Patent No. 6,424,840 (issued July 23, 2002)

speech.¹⁴³ Significantly, although the copyright law has developed a nuanced fair use privilege to deal with speech concerns, no such defense exists within the patent law.¹⁴⁴ The case can readily be made that the patent law allows private actors to impose more significant restraints on speech than has ever been possible through copyright.

Internet advertiser DoubleClick's aggressive enforcement of its portfolio of electronic commerce patents exemplifies this claim. DoubleClick sued two competitors, L90 Inc. and 24/7 Media, to enforce its patent on a "Method of Delivering, Targeting, and Measuring Advertising over Networks."¹⁴⁵ At the last minute the parties settled DoubleClick's infringement claim, thereby narrowly avoiding trial.¹⁴⁶ Internet service provider Juno Online Services, Inc. was not so fortunate. NetZero, Inc. filed suit against Juno in federal district court, charging infringement of its patented method of displaying advertisements in floating windows.¹⁴⁷ On January 5, 2001, the court issued a restraining order that prohibited Juno from practicing the patented invention through March 15, 2001.¹⁴⁸

First Amendment principles were notably absent from the DoubleClick case.¹⁴⁹ Had a content-neutral law constrained speech in the fashion of any of these patents, courts would have reviewed the law as a time, place, or manner restriction. This analysis would have considered such factors as the existence of adequate alternative channels for communication and whether the regulation was narrowly tailored to serve a specific government interest.¹⁵⁰ The courts have yet to subject a patent to

("Method and System for Dynamic Location-Based Zone Assignment for a Wireless Communications Network").

143. *E.g.*, U.S. Patent No. 5,767,893 (issued June 16, 1998) ("Method and Apparatus for Content Based Downloading of Video Programs").

144. Refer to notes 228–34 *infra* and accompanying text (discussing the fair use privilege in the context of speech cases).

145. Thomas, *Rulemaker*, *supra* note 73, at 736–37 (citing *DoubleClick, L90 Settle Patent Lawsuit*, NEWSDAY, Nov. 7, 2000, at A44 [hereinafter *DoubleClick*], available at 2000 WL 10042990); *see also* U.S. Patent No. 5,948,061 (issued Sept. 7, 1999).

146. Thomas, *Rulemaker*, *supra* note 73, at 737 (citing *DoubleClick, supra* note 145, at A44).

147. Nancy Weil, *NetZero Suit Hits Juno with a Restraining Order*, INFOWORLD DAILY NEWS, Jan. 8, 2001, available at 2001 WL 6585545 [hereinafter Weil, *NetZero Suit*]; *see also* U.S. Patent No. 6,157,946 (issued Dec. 6, 2000) ("Communication System Capable of Providing User with Picture Meeting Characteristics of User and Terminal Equipment and Information Providing Device Used for the Same").

148. Weil, *NetZero Suit, supra* note 147.

149. Thomas, *Rulemaker, supra* note 73, at 737.

150. *See* LAWRENCE H. TRIBE, AMERICAN CONSTITUTIONAL LAW § 12-2, at 791–92 (2d ed. 1988).

similar scrutiny, perhaps out of the belief that constitutional limitations on government actions do not apply to patent litigation commenced by private parties.

The advertising patents seem a rather humble lot in comparison with other patents that directly regulate the content of speech. Patented voter and consumer surveying techniques are among this more troublesome group. One recently issued patent, directed towards a “method of administering a survey,” appropriates in part the steps of “transmitting the respondent question to the respondent” and “receiving a response from the respondent.”¹⁵¹ Since the Federal Circuit issued *State Street*, marketing and sales techniques have also been subjected to private appropriation. One such patent, relating to home improvement, includes the step of “presenting the design ideas to a client” as part of the claimed invention.¹⁵² The number of patents on personal instruction is also impressive. For example, individuals have patented methods of teaching language,¹⁵³ music,¹⁵⁴ vocabulary acquisition,¹⁵⁵ dialogue writing,¹⁵⁶ and mathematics.¹⁵⁷

Government regulation of the communicative impact of expression is ordinarily subjected to strict scrutiny.¹⁵⁸ Only those regulations that are narrowly tailored and necessary to serve a compelling state interest will be upheld.¹⁵⁹ Yet all indications from the courts are that privately held patents offer their owners the ability to suppress or punish speech without reference to these limitations.¹⁶⁰

151. U.S. Patent No. 6,093,026 (issued July 25, 2000) (“Method and Apparatus for Administering a Survey”).

152. U.S. Patent No. 5,668,736 (issued Sept. 16, 1997) (“Method for Designing and Illustrating Architectural Enhancements to Existing Buildings”).

153. U.S. Patent No. 5,649,826 (issued July 22, 1997) (“Method and Device for Teaching Language”).

154. U.S. Patent No. 6,015,947 (issued Jan. 18, 2000) (“Method of Teaching Music”).

155. U.S. Patent No. 6,120,297 (issued Sept. 19, 2000) (“Vocabulary Acquisition [sic] Using Structured Inductive Reasoning”).

156. U.S. Patent No. 5,102,338 (issued Apr. 7, 1992) (“Method for Training Children in the Art of Dialogue Writing”).

157. U.S. Patent No. 6,155,836 (issued Dec. 5, 2000) (“System for Teaching Mathematics”).

158. TRIBE, *supra* note 150, § 12-2, at 791–92. Professor Tribe further notes that government regulation directed at the “communicative impact” of an act is considered unconstitutional unless the government demonstrates “that the message being suppressed poses a ‘clear and present danger,’ constitutes a defamatory falsehood, or otherwise falls on the unprotected side of one of the lines the Court has drawn to distinguish those expressive acts privileged by the first amendment from those open to government regulation with only minimal due process scrutiny.” *Id.*

159. *Id.* § 12-2, at 796.

160. Refer to notes 161–66 *infra* and accompanying text (discussing two recent

Even where the patent does not itself claim speech, freedom of expression issues have arisen in other ways with respect to the patent system. Patentees have become increasingly active against individuals who criticize their proprietary interests. Two patent infringement lawsuits reported on the website of The Intellectual Property Owners Association, a public advocacy organization which principally represents patent owners, are notable for the free speech issues that they raise.¹⁶¹ Noted Washington, D.C. lawyer and educator Harold C. Wegner serves as the defendant in one patent infringement lawsuit.¹⁶² The plaintiff, Martin Gardner Reiffin, does not contend that Wegner made, used, or sold the patented invention. Instead, in the words of the Federal Circuit, Reiffin's "suit alleged that Wegner conspired with Microsoft [Corporation] to undermine the value of Reiffin's patents and libeled Reiffin by making statements to his law school class and publishing articles on his Internet site that referred to Reiffin's patents as 'submarine patents.'"¹⁶³

Techsearch L.L.C. filed the second of these suits on July 31, 2000, in part against outspoken patent critic Gregory Aharonian.¹⁶⁴ Techsearch bills itself as "a privately held company engaged in the business of buying, owning, and licensing patents and patent interests, including pending applications."¹⁶⁵ Like Wegner, Aharonian has apparently never made, used, or sold the invention that is the subject of the patent-in-suit. Instead, the Techsearch complaint charges that "Aharonian has collected, sold and distributed alleged prior art concerning [Techsearch's] '341

Federal Circuit decisions in which patent owners filed patent infringement suits to suppress speech).

161. See Intellectual Property Owners Association, IPO Daily News, (Aug. 24 & 28, 2000) (reporting on the status of pending suits involving Reiffin and Techsearch), at <http://www.ipo.org/DailyNewsChron2000.html> (last visited Aug. 6, 2002).

162. *Id.*

163. *In re Reiffin*, No. 624 (Fed. Cir. Aug. 14, 2000), available at WL 1229009, *1. A commentator has explained that:

Submarine patents are simple in concept. An inventor or the inventor's attorney files an application with broad claims . . . and then files a series of continuing applications to keep the patent submerged in the patent office; then, one day, someone innocently decides to use the yet to be patented idea, and after they begin production, the inventor surfaces the application through its issuance, and demands the payment of royalties, lest a lawsuit will be filed for infringement.

Steve Blount, *The Use of Delaying Tactics to Obtain Submarine Patents and Amend Around a Patent that a Competitor Has Designed Around*, 81 J. PAT. & TRADEMARK OFF. SOC'Y 11, 13 (1999).

164. Intellectual Property Owners Association, IPO Daily News (Aug. 24, 2000), at <http://www.ipo.org/DailyNewsChron2000.html> (last visited Aug. 6, 2002).

165. Techsearch, About Techsearch, at <http://www.techsearch-llc.com/abouttxt.html> (last visited Aug. 6, 2002).

patent and has publicly challenged the validity and enforceability of the '341 patent."¹⁶⁶

Stories such as these provide a saddening account of the state of contemporary patent law. A critic of enacted legislation or administrative action would normally be considered a concerned citizen. Yet leading members of the patent community both sue and have been sued for criticizing what amounts to a federal regulation. These episodes remind us that patents combine the attributes of public regulation and private property. These dual attributes continue to prompt the same disturbing question: May a patent restrict personal liberties in ways that legislation cannot? Through examples, this Article next considers the applicability of constitutional defenses to patent infringement.

III. PATENT ENFORCEMENT AS STATE ACTION

Patents that appropriate abortion procedures, parrot federal law, or suppress speech, are among those that implicate constitutionally guaranteed rights.¹⁶⁷ Yet whether an accused patent infringer may assert a constitutional defense is not entirely clear. The Constitution's guarantees of individual liberty apply, with a few exceptions, only against the government.¹⁶⁸ When a private entity serves as the plaintiff-patentee in an ordinary infringement suit, an accused infringer may find resort to the Constitution unavailing.

Resolution of this issue turns upon the state action doctrine. Under the state action doctrine, constitutional guarantees may restrict the conduct of private parties if that conduct is sufficiently entwined with a governmental entity.¹⁶⁹ The Supreme Court has identified numerous factors that bear upon whether private conduct can fairly be attributed to the state.¹⁷⁰ When the

166. Intellectual Property Owners Association, IPO Daily News (Aug. 24, 2000), at <http://www.ipo.org/DailyNewsChron2000.html> (last visited Aug. 6, 2002).

167. Refer to Part II.A *supra* (providing an in-depth discussion on "patenting abortion").

168. See, e.g., *Lloyd Corp. v. Tanner*, 407 U.S. 551, 567 (1972) ("[T]he First and Fourteenth Amendments safeguard the rights of free speech and assembly by limitations on state action, not on action by the owner of private property used nondiscriminatorily for private purposes only."). See generally *Strickland*, *supra* note 115, at 592 ("In essence, the Constitution governs American governments—not Americans.").

169. Refer to note 115 *supra* and accompanying text (indicating that sufficient connections with government are required).

170. See *Lugar v. Edmondson Oil Co.*, 457 U.S. 922, 937 (1982) (declaring that "fair attribution" of an act to the state requires that (1) "the deprivation must be caused by the exercise of some right or privilege created by the State or by a rule of conduct imposed by [the State] or by a person for whom [the State] is responsible," and (2) "the party charged

nominally private party performs a traditional government function,¹⁷¹ is controlled by a state entity,¹⁷² or engages in conduct that has been encouraged or substantially facilitated by the government,¹⁷³ then the constitutional guarantees will apply.¹⁷⁴

That the state action doctrine has been subjected to extreme criticism should be noted from the outset.¹⁷⁵ Positive law theorists teach that the government is the fountainhead of all personal rights.¹⁷⁶ Within positivism, an attempt to distinguish the public from the private lacks coherency from the outset.¹⁷⁷ Rights scholars from other disciplines observe that in practice, in every lawsuit asserting a private violation of rights, courts must choose either to allow the violation to continue or to intervene in order to prevent the violation.¹⁷⁸ From this perspective, state actors are wholly incapable of exempting themselves from responsibility for ensuring individual liberties.¹⁷⁹

Other commentators have found the state action doctrine more appealing.¹⁸⁰ The notion that private individuals somehow

with the deprivation must be a person who may fairly be said to be a state actor”).

171. *Flagg Bros., Inc. v. Brooks*, 436 U.S. 149, 161–63 (1978) (declining to extend the state action doctrine beyond “such functions as education, fire and police protection, and tax collection” to “the function of so-called ‘dispute resolution’” or “the field of private commercial transactions”).

172. *Lebron v. Nat’l R.R. Passenger Corp.*, 513 U.S. 374, 394–400 (1995) (determining that the National Railroad Passenger Corp. (Amtrak), statutorily created and controlled by the government, is an agency of the government rather than an independent entity and therefore should not be able to evade constitutional guarantees).

173. *Reitman v. Mulkey*, 387 U.S. 369, 373–76, 378–81 (1967) (holding that a California constitutional provision that prohibited the state from denying property owners an unfettered right to decline to sell, lease, or rent real property to particular persons, resulted in unconstitutional state authorization of private, racial discrimination in the housing market).

174. *Brentwood Acad. v. Tenn. Secondary Sch. Athletic Ass’n*, 531 U.S. 288, 290–93, 302 (2001) (declaring that the regulatory enforcement proceeding initiated by the state interscholastic athletic association, a private organization, against one of its private members, constituted state action largely based on the association’s entwinement with the government, which characterized it as a public entity subject to constitutional guarantees).

175. *E.g.*, Erwin Chemerinsky, *Rethinking State Action*, 80 NW. U. L. REV. 503, 504–05 (1985) (challenging the state action doctrine as unworkable, inconsistent, and irrational).

176. *Id.* at 520, 527 (“Under positivism all rights are derived from the government.”).

177. *Id.* at 527. “There is no inherently private realm of individual behavior.” *Id.* “Everything that is allowed occurs because of the state’s decision not to prohibit the activity.” *Id.* “Thus, all private violations of liberty occur because they are sanctioned by the state’s common law, and hence by state action.” *Id.*

178. *See generally* David A. Sklansky, *The Private Police*, 46 UCLA L. REV. 1165 (1999) (commenting that courts apply constitutional guarantees to the activity of some actors while withholding the same guarantees from similar actors engaged in similar activity).

179. *See id.* at 1262–63.

180. Paul Brest, *State Action and Liberal Theory: A Casenote on Flagg Bros. v.*

wield the power of the state in their everyday activities has been described as “conspicuously artificial” and “disquietingly totalitarian.”¹⁸¹ Supporters have suggested that the state action doctrine both preserves a zone of individual freedom and prevents the imposition of liability upon the government for private acts.¹⁸² Experience teaches us as well that constitutional provisions are broadly drawn and susceptible to dilution. By preventing routine litigation from directly invoking our highest governmental principles, the state action doctrine is said to ensure the availability of robust constitutional principles in cases of great moment.¹⁸³

This Article does not seek to add another plank to either state action platform. The patent law seems most unlikely to serve as the rudder for lending order to a state action doctrine that has so far avoided a coherent explanation. The ambition of this Article is merely to assess whether a court is likely to hold that a patent enforcement litigation commenced by a private party sufficiently involves the state. If so, constitutional defenses may yet play a role in patent infringement proceedings. If not, then the sobering reality is that constitutional values may not be able to contribute directly to restricting the current excesses of our patent system.

A. *Patent Fundamentals and State Action*

Salient features of the patent law point in conflicting directions concerning state action. Some patent law fundamentals support the conclusion that private patent enforcement constitutes state action. Unlike other intellectual

Brooks, 130 U. PA. L. REV. 1296, 1330 (1982) (positing that the state action doctrine “serve[s] an important ideological function: it reflects and reinforces the ideas of natural spheres of individual autonomy and a natural regime of property rights”).

181. Frank I. Goodman, *Professor Brest on State Action and Liberal Theory, and a Postscript to Professor Stone*, 130 U. PA. L. REV. 1331, 1338 (1982).

182. See Peter M. Shane, *The Rust that Corrodes: State Action, Free Speech, and Responsibility*, 52 LA. L. REV. 1585, 1587 (1992).

183. E.g., William P. Marshall, *Diluting Constitutional Rights: Rethinking “Rethinking State Action,”* 80 NW. U. L. REV. 558, 564 (1985). Professor Marshall’s critique of Professor Chemerinsky’s *Rethinking State Action* extends to Chemerinsky’s theory of adopting a balancing approach under the state action doctrine. *Id.* Marshall argues that:

If one constitutional right is embattled against another, the protection accorded one liberty is going to be diminished. The courts will be forced to articulate priorities in constitutional liberties, with the result that certain liberties eventually might be found to possess only secondary constitutional significance. This in turn may lead to less protection being accorded these rights, even in cases involving “pure” state action.

Id.

property rights, patent rights arise only through direct government intervention on an individual basis. Inventors who seek patent protection are obliged to prepare applications and place them before the Patent Office.¹⁸⁴ There, examiners review each application on its individual merits and choose either to reject the application or allow it to issue as a granted patent.¹⁸⁵ The ability to issue letters patent is exclusive to the federal government.¹⁸⁶ In contrast to copyright and trademark, no common law patent rights have ever existed in the United States.¹⁸⁷

Augmenting the case for private patent enforcement as state action is the notion that issued patents are inherently bound up in the federal judiciary. The award of patent provides its proprietor with nothing more than a grant to accuse others of infringement in the federal courts.¹⁸⁸ Patentees obtain no affirmative right to practice the claimed invention, or indeed any other grant or privilege whatsoever.¹⁸⁹ Any exercise of patent rights necessarily involves the formal invocation of government apparatus. Patents can be licensed, of course, but the license is “nothing more than a promise by the licensor not to sue the licensee.”¹⁹⁰

Patentees also appear to enjoy a symbiotic relationship with the government. The patent system benefits the government by creating a private class of innovators without resort to subsidy from the public fisc.¹⁹¹ Inventors in turn obtain an exclusive

184. 35 U.S.C. § 111 (2000) (“An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Director.”).

185. *See id.* § 131 (“The Commissioner shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefore.”).

186. *See* U.S. CONST. art. I, § 8, cl. 8.

187. Darren W. Saunders, *Doing Deals 2002: Understanding the Nuts & Bolts of Transactional Practice in an Uncertain Market*, 1295 PLI/CORP. 551, 555–57 (2002) (“Patents are governed solely by the U.S. Patent Act; there is no common law . . .”).

188. *See* 35 U.S.C. § 281 (“A patentee shall have remedy by civil action for infringement of his patent.”).

189. C. Edward Polk, Jr. & Jonathan R. Spivey, *Patent Law Basics: Understanding the United States Patent System*, 15 NAT'L B.A. MAG. 16, 16 (2001) (emphasizing that the most fundamental aspect of a patent is that it “provides the right to exclude others, not the right to make, use, offer for sale, or sell the patented invention”).

190. *Spindelfabrik Suessen-Schurr, Stahlecker & Grill GmbH v. Schubert & Salzer Maschinenfabrik Aktiengesellschaft*, 829 F.2d 1075, 1081 (Fed. Cir. 1987).

191. *See* Robert D. Katz et al., *Advancing Claim Drafting and Amendment Writing for Chemical Inventions*, 585 PLI/PAT. 339, 343 (1999) (describing the “quid pro quo” [relationship] . . . between the inventor and the government” in which “the inventor discloses his or her invention to the public and receives in exchange a grant, by the

authority bound up in governmental authority.¹⁹² It would seem appropriate that patentees accept constitutional responsibility for an elevation in status that is voluntarily chosen.

On the other hand, patent enforcement may be considered as essentially private in character. The decision to commence patent litigation is wholly discretionary to the patent proprietor.¹⁹³ The Patent Act, which does not regulate the conduct of patentees in any manner, certainly does not compel individuals to enforce their patents in a manner offensive to protected individual liberties.¹⁹⁴ Among the entities a patentee might choose to charge with a patent infringement action is the federal government itself.¹⁹⁵ Over the years, the United States has parted with millions of dollars in patent royalty fees and adverse judgments from the Court of Federal Claims.¹⁹⁶ With patentees frequently playing the role of adversary to the state, identification of the patent holder as a state actor seems difficult to countenance.¹⁹⁷

Both the Patent Act and our experience also reflect the private nature of patent enforcement. The Patent Act informs us that patents possess “the attributes of personal property,” not state regulation.¹⁹⁸ Recognition that virtually every large corporation doing business in the United States is a patentee¹⁹⁹ also tempers enthusiasm for identifying patentees as state

government of the right to exclude others,” thereby encouraging individuals and companies “to invest substantial sums of capital in the development of the invention”).

192. *Id.*

193. Refer to note 188 *supra* and accompanying text (indicating that the patent holder also holds the right to sue for infringement).

194. *See* *Rendell-Baker v. Kohn*, 457 U.S. 830, 841 (1982) (holding that a private high school’s decisions to discharge teachers “were not compelled or even influenced by any state regulation”).

195. 28 U.S.C. § 1498(a) states in relevant part:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner’s remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

28 U.S.C. § 1498(a) (2000).

196. *See, e.g.*, *United States v. Adams*, 383 U.S. 39, 40–41 (1966) (upholding patent validity and thereby affirming the judgment to award the patent owner compensation for the government’s use of the patented invention).

197. *See* *Polk County v. Dodson*, 454 U.S. 312, 318 (1981) (agreeing that a public defender does not ordinarily act under “color of state law” in part because “a defense lawyer characteristically opposes the designated representatives of the State”).

198. 35 U.S.C. § 261 (2000).

199. *Cf.* John R. Allison & Mark A. Lemley, *Who’s Patenting What? An Empirical Exploration of Patent Prosecution*, 53 VAND. L. REV. 2099, 2116–17 (2000) (disclosing that large corporations are being granted the “overwhelming majority” of issued patents).

actors. To do so would essentially convert the entire commercial world into the government.

Proponents of either view of the patent system²⁰⁰ appear to have much doctrine at their disposal. In the face of these competing factors, state action precedents would seemingly contribute to the resolution of whether patent litigation inevitably involves state action. In fact, the cases offer no easy answers. The state action doctrine has been described as confused, inconsistent, and hopelessly incoherent,²⁰¹ but in the area of intellectual property enforcement, the precedent presents a true puzzle. In a line of state action cases considering state-sponsored monopolies and license holders, a status akin to that of the patent holder, the pronounced tendency is for the Supreme Court to reject the application of constitutional defenses.²⁰² Yet the Court has issued two decisions, *Zacchini v. Scripps-Howard Broadcasting Co.*²⁰³ and *Harper & Row Publishers, Inc. v. Nation Enterprises*,²⁰⁴ that feature lengthy substantive discussions of the First Amendment in connection with the enforcement of intellectual property rights.²⁰⁵ Neither opinion presents even a preliminary discussion of state action doctrine. In an attempt to determine the role of the Bill of Rights in the patent law, this Article parses in sequence these competing strains of case law.

B. The Licensing Cases

Cases concerning state-sponsored licensees and monopolies suggest that the Court has been loathe to classify such enterprises as state actors. In *Moose Lodge No. 107 v. Irvis*,²⁰⁶ for example, the Court held that the mere fact that a state grants a license—in that case, a liquor license to a private club—does not transform the licensee into a state actor.²⁰⁷ In *Jackson v. Metropolitan Edison Co.*,²⁰⁸ the Court went further, refusing to apply due process rights against an electrical utility for disconnecting a customer's service without notice and fair

200. Refer to notes 175–83 *supra* and accompanying text (exploring the views of the proponents and opponents of the state action doctrine).

201. Chemerinsky, *supra* note 175, at 527; Marshall, *supra* note 183, at 558.

202. Refer to notes 206–16 *infra* and accompanying text (detailing the licensing cases).

203. 433 U.S. 562 (1977).

204. 471 U.S. 539 (1985).

205. *See id.* at 555–60; *Zacchini*, 433 U.S. at 569–79.

206. 407 U.S. 163 (1972).

207. *Id.* at 165, 177.

208. 419 U.S. 345 (1974).

hearing.²⁰⁹ The Court concluded that although utilities enjoy monopoly status and are heavily regulated, their actions were not attributable to the state.²¹⁰ These holdings strongly suggest that patentees, who receive a government-sponsored monopoly but are otherwise unregulated, would not count as state actors either.

A third decision, *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Committee*,²¹¹ also seems damaging to the assertion that intellectual property enforcement exercises necessarily invoke state action. This case involved the congressional gifting of the exclusive right to use the word “Olympic” to the U.S. Olympic Committee.²¹² The Committee brought suit against San Francisco Arts & Athletics, Inc. (SFAA), seeking to restrain SFAA’s use of the word “Olympic” to describe an athletic competition that it sponsored.²¹³ The Court rejected SFAA’s facial challenge to the federal law under the First Amendment.²¹⁴ The Court declined to reach SFAA’s Fifth Amendment argument, however, reasoning that the Committee was not a state actor.²¹⁵ According to the Court, the Committee’s “choice of how to enforce its exclusive right to use the word ‘Olympic’ simply is not a governmental decision.”²¹⁶

If neither the Moose Lodge, Metropolitan Edison, nor the U.S. Olympic Committee are state actors, then a private citizen with standing to assert patent rights likely does not qualify either. Patentees are subject to considerably less government entwinement than any of these other entities. Individual decisions to procure patent rights, as well as to commence enforcement proceedings, are both freely theirs. That no judicial decision has yet applied a constitutional defense to patent infringement also seems telling. Perhaps the constitutional argument was unable to shelter accused infringers because the patent law traditionally implicated economic rather than liberty interests; but equally plausible is the rationale that all the players believed that patentees were unlikely to be judged state actors.

This chain of reasoning leads to a startling result. It is entirely possible that a court may strike down legislation as

209. *Id.* at 347, 358–59.

210. *Id.* at 351–53.

211. 483 U.S. 522 (1987).

212. *Id.* at 524, 526 & n.4.

213. *Id.* at 526–27.

214. *Id.* at 531–32, 540.

215. *Id.* at 543–45.

216. *Id.* at 547.

violative of the Constitution, but enforce an identically worded patent held by a private party. That a Nebraska legislator, displeased with *Stenberg v. Carhart*,²¹⁷ could procure and found a lawsuit upon a patent claiming a partial-birth abortion technique seems wholly incongruous. Yet numerous patents have already issued on methods of performing abortions, and after *State Street*,²¹⁸ no meaningful limits upon the scope of patentable subject matter exist. Concerns should only be heightened by the realizations that patented speech has already been the subject of a prior restraint and that litigation has already commenced on a patent that tracks the precise words of federal legislation.²¹⁹

The licensing cases are not the only ones bearing upon the state action implications of patent litigation, however. Other precedent,²²⁰ and a substantial academic literature,²²¹ explore the First Amendment implications of enforcing copyrights and the right of publicity. This line of decisions casts a more hopeful light on the application of constitutional protections during patent enforcement. Contrast between these decisions and the licensing cases seems more to highlight the doctrinal confusion that permeates the state action doctrine, however, than to relieve it.

C. The Speech Cases

In its first decision balancing intellectual property rights and the First Amendment, *Zacchini v. Scripps-Howard Broadcasting Co.*,²²² the U.S. Supreme Court considered a cause of action for a violation of the “right of publicity.”²²³ The action was brought by none other than a performer in a human cannonball show, who claimed that a television station had aired his act without permission.²²⁴ The Ohio Supreme Court had held

217. 530 U.S. 914 (2000) (finding a Nebraska statute, which criminalized partial-birth abortions, unconstitutional). Refer also to notes 102–09 *supra* and accompanying text (discussing the case).

218. 149 F.3d 1368 (Fed. Cir. 1998) (finding that any practical and useful invention is eligible for a patent). Refer also to notes 22–33 *supra* and accompanying text (discussing the case and its impact).

219. Refer to notes 125–32 *supra* and accompanying text (indicating that the claims of *State Street*'s Signature patent closely track federal tax laws and IRS regulations).

220. Refer to notes 222–60 *infra* and accompanying text (analyzing notable speech cases that balance intellectual property and First Amendment rights).

221. For one compilation of citations to the academic literature, see Malla Pollack, *The Right to Know?: Delimiting Database Protection at the Juncture of the Commerce Clause, the Intellectual Property Clause, and the First Amendment*, 17 CARDOZO ARTS & ENT. L.J. 47, 66 n.100 (1999).

222. 433 U.S. 562 (1977).

223. *Id.* at 565.

224. *Id.* at 563–64.

for the broadcaster based upon the First and Fourteenth Amendments.²²⁵ Following a lengthy substantive discussion, the U.S. Supreme Court reversed, holding that the First and Fourteenth Amendments did not impinge upon the asserted constitutional rights in that case.²²⁶ Justice White's decision did not stop to qualify human cannonball performance artists as state actors against whom these constitutional provisions presumably would apply.²²⁷

*Harper & Row Publishers, Inc. v. Nation Enterprises*²²⁸ is to similar effect. There the Court frequently mentioned First Amendment concerns while deciding that the unauthorized use of President Ford's memoirs was not a fair use under the Copyright Act.²²⁹ As in *Zacchini*, both the copyright owner, Time Magazine, and the accused infringer, The Nation, were private actors. Once more the Court remained silent on the state action issue.²³⁰

These two cases have founded the conclusions of numerous commentators that enforcement of any copyright necessarily involves the First Amendment.²³¹ These holdings are more slippery than they may seem on first reading, however. A careful review of *Harper & Row* reveals that while the Court refers repeatedly to "First Amendment values," it carefully avoids reliance upon the First Amendment itself.²³² The Court actually decided *Harper & Row* based upon the fair use privilege codified at § 107 of the Copyright Act.²³³ *Zacchini* is more difficult to

225. See *id.* at 565–66, 569 (citing the Ohio Supreme Court's holding that the broadcaster is "constitutionally privileged to include in its newscast matters of public interest that would otherwise be protected by the right of publicity, absent an intent to injure or to appropriate for some nonprivileged purpose").

226. *Id.* at 578–79.

227. *Id.* at 566–79 (failing to discuss whether the "right of publicity" implicates the state action doctrine); see also *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 968 (10th Cir. 1996) (stating that private enforcement of the right of publicity constitutes state action).

228. 471 U.S. 539 (1985).

229. *Id.* at 555–60, 569.

230. *Id.* (failing to discuss whether the "right of publicity" implicates the state action doctrine).

231. *E.g.*, Lemley & Volokh, *supra* note 139, at 185 n.179 ("There's no doubt that a court's enforcement of copyright law to restrict private speech constitutes state action.").

232. See *Harper & Row*, 471 U.S. at 555–60, 569 (reversing and remanding "[b]ecause we find that The Nation's use of . . . verbatim excerpts from the unpublished manuscript was not a fair use").

233. See *id.* at 560–69. The fair use doctrine is defined as "[a] privilege in other than the owner of a copyright to use the copyrighted material in a reasonable manner without the owner's consent, notwithstanding the monopoly granted to the owner." BLACK'S LAW DICTIONARY 415 (6th ed. 1991). The Copyright Act, 17 U.S.C. § 107, expressly provides for the balancing of the following four factors to determine whether the use was fair: "(1) the

distinguish, but it is notable that in neither case were constitutional defenses successful.²³⁴ Under such circumstances, the Court's substantive discussions could be dismissed as dicta.

Recognizing the limitations of *Harper & Row* and *Zacchini*, proponents of a role for the Constitution in intellectual property enforcement usually turn quickly to *New York Times Co. v. Sullivan*.²³⁵ In that case, the Alabama Supreme Court had affirmed the award of a \$500,000 judgment to a Montgomery city official following a libel action against the *New York Times*.²³⁶ The basis for the asserted libel was a published advertisement on behalf of the civil rights movement.²³⁷ Prior to overturning the judgment on First Amendment grounds, the Court reached the state action issue by explaining that "[a]lthough this is a civil lawsuit between private parties, the Alabama courts have applied a state rule of law which petitioners claim to impose invalid restrictions on their constitutional freedoms of speech and press."²³⁸ This sweeping view of state action suggests not only that the First Amendment applies to copyright and patent cases, but that the entire gamut of constitutional protections applies to the enforcement of all private rights under facially neutral laws.

Whether *New York Times v. Sullivan* enjoys this reach or not bears further consideration. That decision's reasoning seems rooted in the reasoning of *Shelley v. Kraemer*,²³⁹ a perplexing decision that appears of marginal precedential value today. There the Shelleys, an African-American family, purchased property that was subject to a private restrictive covenant forbidding the sale of the property to non-white persons.²⁴⁰ Owners of similarly restricted lots brought suit to prevent the

purpose and character of the use; (2) the nature of the copyrighted work; (3) the substantiality of the portion used in relation to the copyrighted work as a whole; [and] (4) the effect on the potential market for or value of the copyrighted work." *Harper & Row*, 471 U.S. at 560–61.

234. See *Harper & Row*, 471 U.S. at 560 (refusing to extend the fair use doctrine in light of the First Amendment protections already embodied in the Copyright Act); *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 564–66, 578–79 (1997) (declining to grant First or Fourteenth Amendment protection to the broadcasting company that aired an entertainer's performance without his consent).

235. 376 U.S. 254 (1964).

236. *Id.* at 256.

237. *Id.* at 256–58 (reproducing statements from the March 29, 1960, advertisement in the *New York Times* entitled "Heed Their Rising Voices," which described a "wave of terror" that allegedly denied southern African-American students some of their constitutional rights and allegedly libeled a public official when it implicitly referred to him as "police").

238. *Id.* at 265.

239. 334 U.S. 1 (1948).

240. *Id.* at 4–5.

Shelleys from taking possession of their property.²⁴¹ Choosing to enforce the private covenants, the Supreme Court of Missouri enjoined the Shelleys from occupying their property.²⁴² The U.S. Supreme Court reversed the state supreme court and held that judicial enforcement of private restrictive covenants constitutes state action.²⁴³ The Court went on to find the restrictive covenant in violation of the Equal Protection Clause of the Fourteenth Amendment.²⁴⁴

Although the *Shelley v. Kraemer* Court has been admired for its willingness to reach the correct result, its reasoning has been viewed with suspicion virtually from the day the decision was announced.²⁴⁵ Many commentators found it unjust to implicate the state with impermissible discrimination for merely giving effect to a contract freely made by a private party.²⁴⁶ The Court has not expressly overruled *Shelley v. Kraemer* in the intervening years, but its holding has been severely marginalized.²⁴⁷ Its outcome appears a product of its times, the result of “the unique problems of racial discrimination and the balance of substantive rights at issue.”²⁴⁸ For many, the advent of civil rights legislation soon rendered the Court’s ambitious view of state action unnecessary and undesirable.²⁴⁹ Some commentators have suggested that *Shelley v. Kraemer* can literally be confined to its precise facts, with its precedential value limited “to preventing judicial enforcement of racially restricted covenants.”²⁵⁰

241. *Id.* at 6.

242. *Id.* (concluding that enforcement of the restrictive covenant excluding persons of a designated race or color “violated no rights guaranteed . . . by the Federal Constitution”).

243. *Id.* at 18–20, 23 (observing that, “but for the active intervention of the state courts, supported by the full panoply of state power, petitioners would have been free to occupy the properties in question without restraint”).

244. *Id.* at 20–21.

245. Herbert Wechsler, *Toward Neutral Principles of Constitutional Law*, 73 HARV. L. REV. 1, 29–31 (1959).

246. *E.g., id.* at 29; cf. Shelley Ross Saxer, *Shelley v. Kraemer’s Fiftieth Anniversary: A Time for Keeping; A Time for Throwing Away?*, 47 U. KAN. L. REV. 61, 82–84 (1998) (acknowledging criticism that *Shelley v. Kraemer’s* expansive view of state action may destroy the doctrine altogether because of its potential application to all private action).

247. *See, e.g.,* John Devlin, *Construing an Alternative to “State Action” as a Limit on State Constitutional Rights Guarantees: A Survey, Critique and Proposal*, 21 RUTGERS L.J. 819, 838 n.92 (1990) (observing that even though *Shelley v. Kraemer* has not been expressly overruled, courts have generally not applied its principle outside the context of race discrimination).

248. *Id.*

249. *See* Paul Schiff Berman, *Cyberspace and the State Action Debate: The Cultural Value of Applying Constitutional Norms to “Private” Regulation*, 71 U. COLO. L. REV. 1263, 1284–86 (2000) (noting that the pressure mounting in the 1950s and 1960s regarding the state action doctrine has since dissipated).

250. Kenneth M. Casebeer, *The Empty State and Nobody’s Market: The Political*

The downfall of *Shelley v. Kraemer* may leave *New York Times v. Sullivan* without much vitality. For what is *New York Times v. Sullivan* but *Shelley v. Kraemer* attached to a different constitutional amendment?²⁵¹ In both cases, the plaintiff employed a facially neutral law that offered no special status for state officials.²⁵² Whatever constitutional excesses have been attributed to the holding of *Shelley v. Kraemer* must surely apply to *New York Times v. Sullivan* as well.²⁵³

New York Times v. Sullivan might have served as a conventional state action case.²⁵⁴ Sullivan was, after all, a Montgomery city official.²⁵⁵ Perhaps the case could have established libel law only for “public officials [acting] in their official capacity.”²⁵⁶ The difficulty with this reasoning is that soon after issuing *New York Times v. Sullivan*, the Supreme Court expanded its reasoning not just to public officials, but to public figures as well.²⁵⁷ With *Curtis Publishing Co. v. Butts*,²⁵⁸ the Supreme Court created another constitutional conundrum akin to *Shelley v. Kraemer*.²⁵⁹ A handful of decisions have recognized this outcome, citing *New York Times v. Sullivan* as support for an ambitious scope of the state action doctrine.²⁶⁰ Little doubt

Economy of Non-Responsibility and the Judicial Disappearing of the Civil Rights Movement, 54 U. MIAMI L. REV. 247, 291 (2000); see also Saxer, *supra* note 246, at 119–20 (arguing that unless *Shelley v. Kraemer* is restricted to “racially discriminatory private covenants,” it will destroy the state action doctrine by converting “all private action to public action whenever a private litigant attempts to judicially enforce a private right”).

251. See Martin A. Schwartz & Erwin Chemerinsky, *Dialogue on State Action*, 16 TOURO L. REV. 775, 791 (2000) (opining that *New York Times v. Sullivan* “was [merely] a private defamation suit, a private individual against the New York Times, a private entity”).

252. Kevin L. Cole, *Federal and State “State Action”: The Undercritical Embrace of a Hypercriticized Doctrine*, 25 GA. L. REV. 327, 353 (1990) (“Though *Shelley* and *Sullivan* might theoretically have broad impact, the Court’s refusal to so read those cases may now be sufficiently clear that the cases can fairly be considered to be limited to their facts.”).

253. James Boyle, *The First Amendment and Cyberspace: The Clinton Years*, 63 LAW & CONTEMP. PROBS. 337, 340 (2000) (exposing the tenuous argument for finding state action in *New York Times v. Sullivan*).

254. See Joseph H. Sommer, *Against Cyberlaw*, 15 BERKELEY TECH. L.J. 1145, 1200 n.201 (2000) (asserting that *New York Times v. Sullivan* “was a conventional state action case, because it was restricted to public officials in their official capacity,” but soon “was expanded to public figures”).

255. *New York Times Co. v. Sullivan*, 376 U.S. 254, 256 (1964).

256. Sommer, *supra* note 254, at 1200 n.201.

257. *Id.*

258. 388 U.S. 130 (1967).

259. Sommer, *supra* note 254, at 1200 n.201.

260. See, e.g., *Cohen v. Cowles Media Co.*, 501 U.S. 663, 668 (1991) (“Our cases teach that the application of state rules of law in state courts in a manner alleged to restrict First Amendment freedoms constitutes ‘state action’ under the Fourteenth Amendment.”); *Paul v. Watchtower Bible & Tract Soc’y of N.Y., Inc.*, 819 F.2d 875, 880 (9th Cir. 1987) (“State laws whether statutory or common law, including tort rules, constitute state

should remain that following *New York Times v. Sullivan*, the First Amendment would justly be in play in litigation involving patent rights that restricted speech. Presumably, an accused infringer would argue that other constitutional protections, such as due process or equal protection, should apply as well.

We are left, then, with competing lines of cases that suggest different outcomes for determining whether state action inheres in patent enforcement. Reconciliation of these cases, always a perilous exercise in state action, reveals two possible explanations for the more liberal view of state action in the speech cases than in the licensing cases. Interestingly, while these rationalizations affirm the place of the First Amendment in copyright infringement cases, they seem of limited applicability to patents.

One way to bring the speech and licensing cases to terms rests on the recognition that, along with libel and obscenity laws, copyright and the right of publicity intimately concern speech.²⁶¹ Both intellectual property laws potentially prevent individuals from writing, composing, making public displays, or dancing as they wish.²⁶² Not only do both bodies of law restrict the ability of speakers to say what they want; constraining speech is all that they do.²⁶³ When the First Amendment forbids laws abridging the freedom of speech, surely copyright and the right of publicity are included.²⁶⁴

Recognition of the essential nature of the right to freedom of expression serves as the second basis for reconciling the licensing and speech cases. Along with other cases implicating fundamental rights, the speech cases present circumstances where courts are simply more willing to find state action.²⁶⁵ Justice Marshall, dissenting in *Metropolitan Edison*, argued for a

action.”).

261. See Lemley & Volokh, *supra* note 139, at 165–66, 225 (noting that copyright law restricts freedom of speech and that some courts have been willing to acknowledge the First Amendment conflict in the right of publicity context, particularly the dangers of prior restraint).

262. See *id.* at 165–66, 224–26.

263. *Id.* at 166, 224–28 (suggesting that copyright and right of publicity laws generally restrict speech because copyright laws not only apply to creative adaptation but also to literal copying, and because “likeness” is so broadly construed under the right of publicity laws).

264. *Id.* at 182–83 (observing that characterization of a speech restriction as an “intellectual property law” will not withdraw it from the scope of First Amendment protections); see also *Jackson v. Metro Edison Co.*, 419 U.S. 345, 351–52 (1974) (observing that the scope of the monopoly regulated by the state in that case, namely an electric utility, had little to do with the constitutional due process violation asserted).

265. Refer to notes 222–60 *supra* and accompanying text (analyzing speech cases with respect to the state action doctrine).

uniform state action doctrine that did not depend upon the scope of the constitutional right in play.²⁶⁶ Other jurists and academic commentators have disagreed,²⁶⁷ and a review of cases involving race and other suspect categories suggests they have the better of the argument.²⁶⁸ Under this view, the doctrinal stability of the state action doctrine is a worthy sacrifice given the higher constitutional priorities at stake in the speech cases.

San Francisco Arts & Athletics is exemplary of the heightened station accorded speech in state action cases.²⁶⁹ Recall that in that case, in addition to contesting the enforcement practices of the U.S. Olympic Committee under the Fifth Amendment, SFAA also mounted a facial challenge to the Amateur Sports Act under the First Amendment.²⁷⁰ Notable is that the Supreme Court took up the First Amendment challenge without separately analyzing its state action implications.²⁷¹ Seemingly apparent to the Court was that Congress was the state actor for purposes of the First Amendment.²⁷² If the Court was willing to invoke the First Amendment while assessing the Amateur Sports Act,²⁷³ then the Copyright Act should fall under similar constitutional scrutiny.

These two harmonizing rationales are capable of explaining the prominence that the First Amendment enjoys within the copyright law. Unfortunately, they yield unpromising results for those who would turn to the Bill of Rights to curb the excesses of

266. 419 U.S. 345, 373–74 (1974) (Marshall, J., dissenting).

267. *E.g.*, Christopher D. Stone, *Corporate Vices and Corporate Virtues: Do Public/Private Distinctions Matter?*, 130 U. PA. L. REV. 1441, 1484 & n.150 (1982) (arguing that “everyone suspects, although judges rarely say, that what is ‘public’ expands and contracts depending upon the substance of the plaintiff’s claim” (citing *King v. Little League Baseball, Inc.*, 505 F.3d 264, 266 (6th Cir. 1974) (disaffiliating from the trial judge’s reasoning that “had the complaint been by Negro boys alleging racial discrimination [rather than girl plaintiffs], he would have found state action ‘more readily’”))).

268. *See* Berman, *supra* note 249, at 1267–70 (analyzing the state action doctrine as applied to cyberspace and arguing that “we must take the benefits of constitutive constitutionalism into consideration before we can truly evaluate the appropriate contours of our conception of state action”). Refer also to notes 239–44 *supra* and accompanying text (analyzing *Shelley v. Kraemer* to illustrate that courts may be more willing to find state action in the context of racial discrimination).

269. *See* *San Francisco Arts & Athletics v. U.S. Olympic Comm.*, 483 U.S. 522, 535–42 (1987).

270. *Id.* Refer also to notes 211–16 *supra* and accompanying text (analyzing the Court’s decision).

271. *See* *San Francisco Arts & Athletics*, 483 U.S. at 535–42.

272. *See id.*

273. *See id.* at 536–37, 540 (holding that the Amateur Sports Act’s restriction of commercial speech did not violate the First Amendment because it was not broader “than necessary to further a substantial governmental interest”).

the modern patent system. The Patent Act is broadly structured²⁷⁴ and, until quite recently, has had little to do with speech. Enforcement of the patent right may not be viewed as necessarily implicating a discrete, fundamental right guaranteed by the Constitution. More like a private property owner exerting the trespass law to eject an unwelcome speaker, the relationship between the patent right and a particular constitutional guarantee appears more tangential. Even if a court were to apply the First Amendment to patent cases, its willingness to invoke the Constitution might not spill over to other provisions.

The tendency of courts to find state action in cases involving compelling rights violations, such as racial discrimination or speech restraints, may also be less pronounced for patents. Even in a patent case that implicates a fundamental right, courts may be unwilling to allow a hard case to make bad law. The decision that a particular patent case involved state action would seemingly implicate every patent enforcement exercise with the entire panoply of constitutional defenses.

The reasoning that patentees will not ordinarily be judged government actors seems paradoxical in light of other intellectual property cases. The best reading of the case law remains that the narrowly tailored copyright statute invokes the First Amendment,²⁷⁵ but application of the more robust Patent Act does not ordinarily entail any constitutional analysis at all.²⁷⁶ This conclusion will likely please commentators who have found the state action doctrine wholly incongruous. It is considerably less comforting for concerned observers who seek to cabin a patent regime whose recent ambitions know no bounds. With hopes of fashioning meaningful constraints upon the contemporary patent system, this Article next turns to other constitutional provisions.

IV. CONTEMPORARY PATENTING TRENDS AND CONSTITUTIONAL VALUES

That the once obscure patent system has come to bear upon constitutional rights should be of particular concern to civil libertarians. The patent canon, and to some extent the

274. 60 AM. JUR. 2d *Patents* § 65 (2002) (noting that the legislative history and committee reports accompanying the 1952 Patent Act support a broad construction and indicate “that Congress intended statutory subject matter to include anything under the sun that is made by man”).

275. See Lemley & Volokh, *supra* note 139, at 165–66 (noting that copyright law involves the First Amendment because copyright law necessarily restricts speech).

276. See *id.* at 232–34 (observing that the Patent Act prevents others from making, using, or selling machines and processes, the restriction of which should not raise First Amendment concerns).

accumulated learning surrounding it, reflects a virtually unyielding faith in industrial progress and market mechanisms. Legislators have been encouraged to fashion robust property rights, create bargaining institutions, and establish compulsory licenses for those few instances in which transaction costs prevent voluntary bargained-for exchanges.²⁷⁷ This account holds little prescriptive power where patenting has been divorced from technology and reoriented towards advocacy. The preceding examples suggest that the following six factors ought to play a role in patent enforcement determinations.

1. *Whether the Activities Constituting the Accused Infringement Themselves Are Subject to Recognized Protections.* Enforcement proceedings should account for the implications of the proprietary interest upon acknowledged personal liberties. Courts should realize that individuals who perform abortion techniques, comply with legal provisions, and engage in speech enjoy substantive due process, equal protection, and free speech protections whether or not that behavior is also subject to patent rights. Whistleblowing against suspect patents should also be considered not just as an inducement of infringement, but as an exercise of freedom of expression.

2. *The Marketplace Availability of the Patented Invention or Its Substitutes.* Cases such as *Stenberg v. Carhart*²⁷⁸ suggest that individuals may have a strong interest in the continued practice of a particular technique.²⁷⁹ Where an accused infringer legitimately claims that the asserted patent restricts a recognized individual liberty interest, courts should consider whether appropriate noninfringing substitutes are available on the market. The case for infringement should be strongest where the patentee itself markets a commercial embodiment of the patented invention. Conversely, where no comparable product exists and the patentee hopes to suppress the patented invention, the case for patent infringement should be weakest.

277. See Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, 1996 U. CHI. LEGAL F. 207, 210–16 (1996) (proposing legislative change in current intellectual property law along the following three themes: (1) make clearer rules of law; (2) create property rights in uncharted assets, such as domain names; and (3) create bargaining institutions).

278. 530 U.S. 914 (2000). Refer to text accompanying notes 102–15 *supra*.

279. See *Stenberg*, U.S. at 935–38 (implying that pregnant women desiring an abortion may have strong health-based reasons to support the continued availability of the D & E partial-birth abortion technique). Refer also to notes 102–15 *supra* and accompanying text.

3. *The Ability of Others to Design Around the Patented Invention.* Many courts have observed that competitors of the patentee enjoy the ability to design around the patented invention.²⁸⁰ However, experience teaches us that not all inventions are so readily the subject of reverse engineering. In such circumstances, courts should guard against the possibility that the patentee will abuse its position. Essentially a prospective version of present marketplace availability, this factor also resembles copyright's merger doctrine.²⁸¹

4. *The Reasons the Litigants Were Unable to Achieve a License.* Some patent cases involve market failures such as high transaction costs or other externalities.²⁸² The patent law has also attracted rights holders who seek to impose moratoria upon the practice of the patented invention.²⁸³ In either case, courts should consider whether the refusal to license the patented invention bears upon the patent law's goal of advancing the "useful Arts."

5. *The Desire for Patent-Induced Innovative Activity in the Field of the Patented Invention.* Proponents of an ambitious scope of patentable subject matter often contend that post-industrial innovations present the same public goods problems as the technologies that have long been patented.²⁸⁴ Yet there are important differences between industrial artifacts and the more abstract behaviors that, innovative or not, have long been beyond the grasp of the patent law. In enforcing patents on post-industrial invention, courts should also assess whether or not the patent system is necessary to achieve optimal levels of research and development expenditures within those fields. Courts should consider whether the copyright law sufficiently spurs innovation in speech or legal text, for example, and recognize that numerous

280. *E.g.*, *Ishida Co. v. Taylor*, 221 F.3d 1310, 1316 (Fed. Cir. 2000).

281. *See* 17 U.S.C. § 102(b) (2000) ("In no case does a copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such a work.")

282. *See* O'Rourke, *supra* note 55, at 1188 (organizing market failures into three categories: (1) high transaction costs that frustrate private bargaining; (2) positive externalities that prevent the infringer from being able to pay the copyright owner's price for a license; and (3) the failure of any market for the particular use to develop).

283. Refer to notes 37–52 *supra* and accompanying text (discussing the Newman-Rifkin human chimera application that, if accepted, could impose a twenty-year moratorium on the use of chimera technology in the United States because neither patent-seeker plans to use or further the patented technology).

284. *E.g.*, Gregory J. Maier et al., *Patent Protection Provides Long-Term Net Strategy*, 22 NAT'L L.J., Oct. 18, 1999, at B11.

private foundations presently fund research on abortion procedures without resort to the patent system.

6. *Whether Predecessors to the Patented Invention Traditionally Have Been the Subject of Patenting.* Relating to the preceding factor is whether the patent system is deeply rooted in the discipline from which the patented invention springs. Actors within market sectors long subject to patenting are better able to account for this form of market regulation. In contrast, courts should recognize that actors in disciplines recently opened to the patent system are less likely to have arranged their affairs appropriately.

As a matter of systems engineering, the fashioning of a subconstitutional restraint seems the best way to express these values. A legislative limitation on patent acquisition and enforcement that maintained the binding between patenting and technology, acknowledged individual liberties, and was specifically tailored to the patent system, would provide the best solution for checking the current pretensions of the patent bar. Revival of the defunct patent misuse doctrine,²⁸⁵ modification of copyright's fair use privilege,²⁸⁶ and strengthening of the nascent experimental use exemption²⁸⁷ each present possibilities.

Neither the Patent Office nor Congress seem likely to initiate this project. The Patent Office wholly lacks competence to do so, for it possesses no substantive rulemaking authority in patent law.²⁸⁸ It seems that the courts, having preliminarily confronted patents on legal compliance and speech, will continue to bear primary responsibility for adopting the patent system to post-industrial patenting.

If this prediction is correct, then the U.S. Constitution appears to be the sole source of legal doctrine in which the principles identified above can be anchored. With the bulk of the Bill of Rights likely inapplicable, another possible linchpin is the

285. See Mark A. Lemley, *The Economic Irrationality of the Patent Misuse Doctrine*, 78 CAL. L. REV. 1599, 1608–32 (1990) (describing the patent misuse doctrine, an equitable defense that permits “defendants in an infringement . . . action [to] claim that the patentee plaintiff had ‘misused’ its patent grant”).

286. See O'Rourke, *supra* note 55, at 1205–09, 1249–50.

287. See Rebecca S. Eisenberg, *Proprietary Rights and the Norms of Science in Biotechnology Research*, 97 YALE L.J. 177, 224–25, 230 (1987) (concluding that the experimental use defense may be a way to reconcile the patent monopoly with the research community's interest in building upon an inventor's discovery before the patent expires).

288. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549–50 (Fed. Cir. 1996) (noting that because the Patent Office does not have substantial rulemaking power, its promulgations are essentially non-binding).

Intellectual Property Clause.²⁸⁹ For many observers, an originalist interpretation of the Intellectual Property Clause offers a plausible limiting account upon the scope of the patent system.²⁹⁰ When confining the scope of patenting to the “useful Arts,” the Framers likely contemplated only the industrial, mechanical, and manual arts of the late eighteenth century.²⁹¹ This characterization is also sympathetic to the maintenance of constitutionally protected rights. Retaining patenting within its traditional paths tends to maneuver the system away from the appropriation of protected liberties.

Other commentators, however, have drawn scant hope from the Intellectual Property Clause.²⁹² A textualist view of the Intellectual Property Clause might decide only that patented inventions must possess utility, a lenient stricture already imposed by the patent system.²⁹³ Even under the originalist account, determining the proper successors of the Industrial Revolution is exceptionally difficult. Contemporary human engagement with the artificial is total. As human existence becomes increasingly embedded in technology, the impact of traditionally patentable subject matter upon the exercise of individual liberties grows.

Yet perhaps another constitutional principle may be of use in achieving patent reform. Frequently dismissed as a dead letter,²⁹⁴ but exhibiting “fitful signs of life recently,”²⁹⁵ the

289. See, e.g., Robert Patrick Merges & Glenn Harlan Reynolds, *The Proper Scope of the Copyright and Patent Power*, 37 HARV. J. ON LEGIS. 45, 46 (2000) (arguing that the language of the Intellectual Property Clause “may restrict some of Congress’s more far-reaching efforts in promoting intellectual property in recent years, particularly in passing ad hoc extensions of copyrights and patents for the benefit of individual companies”). The Intellectual Property Clause of the U.S. Constitution grants Congress the power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, § 8, cl. 8.

290. See Merges & Reynolds, *supra* note 289, at 46 (“From the earliest days of our nation to the present era, courts have repeatedly stressed that Congress’s intellectual property powers under the [Intellectual Property] Clause are limited.”).

291. Refer to notes 17–21 *supra* and accompanying text (reviewing the historical roots of patent law as limited to the artifacts of the Industrial Revolution).

292. See Stern, *supra* note 125, at 105, 127–28 (“There is no way to reach agreement on what is a useful art and, even more important, on what is not a useful art.”); Merges & Reynolds, *supra* note 289, at 60 (asserting that, while the Intellectual Property Clause grants Congress the power to grant patents and copyrights for a “limited time,” the length of that time is discretionary; Congress has extended the term by post hoc legislation favoring the patentee).

293. See 35 U.S.C. § 101 (2000) (providing that patentable subject matter includes any “new and useful” improvement thereof).

294. See, e.g., Sandra B. Zellmer, *The Devil, the Details, and the Dawn of the 21st Century Administrative State: Beyond the New Deal*, 32 ARIZ. ST. L.J. 941, 943 (2000).

295. *United Beverage Co. of S. Bend, Inc. v. Ind. Alcoholic Beverage Comm’n*, 760

nondelegation doctrine²⁹⁶ presents an unexplored possibility for curbing the excesses of modern patent law.²⁹⁷ The pretensions of modern patent law have clarified what might have been seen earlier: patent acquisition is a legislative function that Congress has bestowed upon private individuals.²⁹⁸ Recognition of the breadth of this conferral invites consideration of the nondelegation doctrine to post-industrial patenting.

The zenith of the nondelegation doctrine occurred with the well-known Supreme Court decisions in *A.L.A. Schechter Poultry Corp. v. United States*²⁹⁹ and *Carter v. Carter Coal Co.*³⁰⁰ In *Carter Coal*, the Court held that Congress may not authorize private groups to make law.³⁰¹ In both cases, the Court recited the dangers of corruption, arbitrary enforcement, and lack of political accountability that accompany private rulemaking.³⁰² That the exercise of public power should reflect the will of the electorate remains a core value of democratic governance.³⁰³

Much of what the Court said in these cases seems pertinent to the contemporary patent law. When Justice Sutherland announced that “in the very nature of things, one person may not be intrusted with the power to regulate the business of another, and especially of a competitor,”³⁰⁴ he might well have voiced concerns over patenting. The procedures established by the

F.2d 155, 157 (7th Cir. 1985).

296. See Jody Freeman, *The Private Role in Public Governance*, 75 N.Y.U. L. REV. 543, 580 (2000) (describing the nondelegation doctrine as “the principle that Congress may not delegate, to public or private actors, its constitutionally assigned lawmaking power”).

297. See *id.* at 580–81 (suggesting that resurrection of the nondelegation doctrine would “constrain the private exercise of public power”).

298. See *id.* at 580–82 (noting that despite the existence of the nondelegation doctrine, Congress has bestowed lawmaking power on private individuals via delegation to federal agencies, and the Supreme Court has upheld this delegation).

299. 295 U.S. 495 (1935).

300. 298 U.S. 238 (1936).

301. See *id.* at 310–11 (declaring the provisions of the Bituminous Coal Conservation Act, which provided producers and miners with congressional authority to regulate labor and wages, an unconstitutional delegation of legislative power).

302. See *id.* (positing that permitting private coal producers and miners to regulate employee hours and wages results in the submission of the minority to the will of the majority, causing the minority to surrender to terms not out of choice but rather out of force); *Schechter Poultry*, 295 U.S. at 537 (holding that the delegation of authority to private trade or industrial associations to establish a “Live Poultry Code” and thereby regulate the industry, was an unconstitutional delegation of power “utterly inconsistent with the constitutional prerogatives and duties of Congress”).

303. See Boyle, *supra* note 253, at 350–51 (emphasizing the government’s significant role in developing intellectual property policy and criticizing the Clinton Administration’s regulation of speech in cyberspace as “unwise and unconstitutional”).

304. *Carter Coal*, 298 U.S. at 311.

National Industrial Recovery Act³⁰⁵ and the Bituminous Coal Conservation Act,³⁰⁶ through which trade associations and private groups could establish enforceable industrial codes, in fact seem to compare quite favorably to current patent practice. Although the Court condemned the power of a majority “to regulate the affairs of an unwilling minority” as “legislative delegation in its most obnoxious form,”³⁰⁷ seemingly worse is the weekly grant to hundreds of individual patentees the power to regulate an entire industry in which they may not otherwise participate.

Although discussions of the nondelegation doctrine usually begin with *Schechter Poultry* and *Carter Coal*, they most often end there as well. Since the New Deal the nondelegation doctrine has been of scant importance.³⁰⁸ Virtually all observers of government recognize that delegation of regulatory authority can promote efficient governance.³⁰⁹ So long as Congress provides sufficient policy goals and procedural safeguards, the Supreme Court has not been offended by legislative delegation in over half a century.³¹⁰ In particular, the federal courts have been troubled only rarely by broad delegations of rulemaking power to executive agencies.³¹¹

Still, the state courts have preserved the delegation doctrine, often through the application of more specific nondelegation provisions in state constitutions.³¹² Exemplary is the recent decision of the Arkansas Supreme Court in *Leathers v. Gulf Rice Arkansas, Inc.*³¹³ That case involved state legislation authorizing a referendum to be conducted among rice producers.³¹⁴ The rice producers were allowed to approve an assessment against rice buyers, with the proceeds to go towards rice promotion and market development projects.³¹⁵ The Arkansas Supreme Court struck down the statute as an unlawful delegation of the legislative taxing power.³¹⁶ The court observed that the statute imposed no standards to be considered prior to imposing the assessment; caused the assessment to be imposed without notice, opportunity to be heard, or review; and

305. See *Schechter Poultry*, 295 U.S. at 521–24.

306. See *Carter Coal*, 298 U.S. at 278–84.

307. *Id.* at 311.

308. Zellmer, *supra* note 294, at 943.

309. *Id.*

310. *Id.*

311. *Id.*

312. See Jim Rossi, *Institutional Design and the Lingering Legacy of Antifederalist Separation of Powers Ideals in the States*, 52 VAND. L. REV. 1167, 1191–1200 (1999).

313. 994 S.W.2d 481 (Ark. 1999).

314. *Id.* at 482–83.

315. *Id.*

316. *Id.* at 486.

authorized one group of private persons to tax a second, unwilling group of private persons.³¹⁷

The decision in *Whitman v. American Trucking Associations, Inc. (ATA)*³¹⁸ suggests renewed interest in the nondelegation doctrine at the Supreme Court as well. The *ATA* Court reviewed a District of Columbia circuit court decision,³¹⁹ holding that certain provisions of the Clean Air Act violated the nondelegation doctrine by failing to provide an “intelligible principle” to guide the Environmental Protection Agency (EPA) in formulating national ambient air quality standards.³²⁰ The Supreme Court reversed in a 9-0 decision, holding that the Clean Air Act fell “well within the outer limits of our nondelegation precedents.”³²¹ According to Justice Scalia, the terse instructions provided by Congress to the EPA through the Clean Air Act compared favorably with other provisions the Court had previously upheld.³²²

Although not a single dissenter railed against the majority holding in *ATA*,³²³ the decision remains an important one for the nondelegation doctrine. Rather than wholly rejecting the nondelegation doctrine as symptomatic of *Lochner*-era jurisprudence, the Court instead cited *Schechter Poultry* and other cases in its line with approval.³²⁴ The Court also confirmed that “the degree of agency discretion that is acceptable varies according to the scope of the power congressionally conferred.”³²⁵ Contrasting EPA regulation of obscure “country elevators” with “setting air standards that affect the entire national economy,” Justice Scalia observed that Congress would be required to provide greater guidance for the latter than the former.³²⁶

With the nondelegation doctrine once more in play, however faintly, application of its principles to the modern patent system appears quite timely. At first blush, this analysis may not appear particularly fruitful. The Constitution includes an express

317. *Id.*

318. 531 U.S. 457 (2001).

319. *Am. Trucking Ass'ns, Inc. v. EPA*, 175 F.3d 1027 (D.C. Cir. 1999).

320. *Id.* at 1034.

321. *Whitman*, 531 U.S. at 474. The Court's decision with regard to Parts I and IV was unanimous; Part III of the opinion, which discusses the delegation precedent, was joined by seven of the nine Justices. *See id.* at 472–76.

322. *Id.* at 462, 473, 475–76.

323. *Id.* at 486–87 (Thomas, J., concurring), 487–90 (Stevens, J., concurring in part and concurring in the judgment), 490–96 (Breyer, J., concurring in part and concurring in the judgment).

324. *Id.* at 474.

325. *Id.* at 475.

326. *Id.*

authorization for Congress to award exclusive rights to inventors.³²⁷ Surely the Framers contemplated delegation of authority via the patent law.³²⁸ While the Intellectual Property Clause surely countenances delegation, however, there is no reason to suspect that it collapses the core distinctions between private and public lawmaking that undergird our scheme of government. As suggested by historical experience with differing patent acquisition and enforcement schemes,³²⁹ the Intellectual Property Clause does not specify how public authority passes into the hands of a private patentee, nor does it delimit specific avenues of enforcement.³³⁰

Each issued patent instills in all of us the duty to avoid practicing the patented invention without the permission of the patentee.³³¹ Thus, there can be no question that Congress has conferred rulemaking power through the patent system.³³² The identity of the delegate is less apparent. Scholarly commentary involving the delegation doctrine normally need not consider this issue, for it focuses discussion upon so-called unified agencies. Unified agencies, including the International Trade Commission and EPA, combine “substantive rulemaking, enforcement, and adjudication” functions.³³³ In such circumstances, the delegate obviously is the agency itself.

The *sui generis* regime of patents presents more complex issues of delegation. The Patent Office obviously receives much authority under the Patent Act, but its capabilities fall far short of most federal administrative agencies. The role of the Patent Office in the patent system is surprisingly limited.³³⁴ Its principal

327. See U.S. CONST. art. I, § 8, cl. 8.

328. Edward C. Walterscheid, *To Promote the Progress of Science and the Useful Arts: The Background and Origin of the Intellectual Property Clause of the United States Constitution*, 2 J. INTELL. PROP. L. 1, 13, 38, 54 (1994) (considering the Framers' considerations during the drafting of the Constitution).

329. See *Graham v. John Deere Co.*, 383 U.S. 1, 6–12 (1966).

330. *Id.* at 5–6 (citing U.S. CONST. art. I, § 8, cl. 8, for the proposition that, although the Intellectual Property Clause grants Congress broad power to award exclusive rights for the promotion of the useful arts, the Clause does not specify a procedure for awarding these rights).

331. 35 U.S.C. § 271(a) (2000).

332. See *Graham*, 383 U.S. at 5–7 (stating that Congress may create a federal agency to administer the patent system).

333. Brian C. Whipps, *Substantial Evidence Supporting the Clearly Erroneous Standard of Review: The PTO Faces Off Against the Federal Circuit*, 24 WM. MITCHELL L. REV. 1127, 1150 (1998).

334. See Orin S. Kerr, *Rethinking Patent Law in the Administrative State*, 42 WM. & MARY L. REV. 127, 138 (2000) [hereinafter Kerr, *Rethinking Patent Law*] (describing the ministerial nature of the Patent Office's roles).

task is to facilitate the grant of patents.³³⁵ The Patent Office lacks substantive rulemaking ability even within the field of patent law,³³⁶ and its regulatory authority is limited to managing Patent Office proceedings and disciplining individuals licensed to practice before it.³³⁷ Crucially, the Patent Office neither enforces patents nor adjudicates patent infringement disputes itself.³³⁸ Authority for patent enforcement has been transferred to the private sector, which essentially commences a *qui tam* action with each charge of patent infringement in the courts.

Thus, in a very real sense, the Patent Office is not the sole delegate of rulemaking power under the Patent Act. Private individuals also enjoy a transfer of power through the Patent Act.³³⁹ Individuals themselves phrase the patent claims that, if issued, amount to proprietary rights in privately drafted federal regulations. As patentees they enjoy unfettered discretion to enforce their patent right by bringing a civil action in federal court. If everyone wants to be a regulator, the patent system amounts to a leveling construct that encourages governance by private citizens.

So patenting involves congressional delegation to both Patent Office and private citizen. The next question is whether this delegation is improper. Again, at first glance, this argument seems quite feeble. The Patent Act is a complex code that specifies Patent Office operations at a fine level of detail.³⁴⁰ Among the provisions of the patent code are a recounting of patentability standards,³⁴¹ description of patenting procedures,³⁴²

335. *Id.* at 138–40.

336. *See* Merck & Co. v. Kessler, 80 F.3d 1543, 1549–50 (Fed. Cir. 1996).

337. *See* Kerr, *Rethinking Patent Law*, *supra* note 334, at 166–67 (comparing the Patent Office's power to manage proceedings to a federal court's power to manage its own cases); *see also* 35 U.S.C. § 2(b)(2) (delineating the Patent Office's power to establish regulations).

338. *See* Kerr, *Rethinking Patent Law*, *supra* note 334, at 143 (illustrating that federal courts review patent suits in one of two ways: a direct appeal against the Patent Office by a rejected patent applicant, or an infringement action against an alleged infringer by a patent owner); *see also* John B. Pegram, *Should There Be a U.S. Trial Court with a Specialization in Patent Litigation?*, 82 J. PAT. & TRADEMARK OFF. SOC'Y 766, 772 (2000) (revealing that the Patent Office “has no direct role to play in patent infringement actions”).

339. *See* Brian Kahin, *The Expansion of the Patent System: Politics and Political Economy*, 6 FIRST MONDAY 1 (Jan. 2000) (noting that “[p]atents are, in effect, rules that are drafted and proposed by . . . private applicants who have considerable leeway in formulating and expressing the claims, approved by the [Patent Office], and then privately enforced”), at http://www.firstmonday.dk/issues/issue6_1/kahin/index.html (last visited Sept. 13, 2002).

340. *See* 35 U.S.C. §§ 1–376.

341. *Id.* §§ 102–103 (requiring that the proposed patent be novel and non-obvious).

342. *See, e.g., id.* § 111.

and stipulation of the internal structure of the Patent Office.³⁴³ The Patent Office seemingly acts well within the permissive delegation standards established by the U.S. Supreme Court in *ATA* and predecessor cases.³⁴⁴

But this analysis misses the mark for two reasons. First, it overlooks the reality that the Patent Act confers considerable authority to patentees as well.³⁴⁵ No statutory mandates guide patentees in their acquisition and enforcement of their proprietary rights.³⁴⁶ Patent owners are free to weigh any particular values they wish, or none at all, when they undertake to apply for patent rights or enforce them. If patentees are indeed assessed as delegates under the Patent Act, then that statute faces significant troubles under even the Supreme Court's most lenient nondelegation decisions. Lacking even a minimal incantation about preserving the public interest, the patent statute's wholly standardless delegation must count as an impermissible one.

Second, Patent Office procedures are conspicuous for their failure to employ the safeguards observed in modern administrative law. Patent acquisition occurs in an *ex parte* environment in which Patent Office personnel lack an adversarial posture towards the applicant.³⁴⁷ Examiners instead are tasked to assist applicants in fulfilling the statutory requirements.³⁴⁸ As explained in the 2000 Patent Office Corporate Plan: "The Patent Business is one of the [Patent Office's] three core businesses. The primary mission of the Patent Business is to help customers get patents."³⁴⁹

The accepted administrative protections of notice, opportunity for comment, and judicial review³⁵⁰ also play little role in the patent system. The Patent Office has traditionally held all applications in secret, and even more recent legal

343. *Id.* §§ 2–3.

344. Refer to notes 299–333 *supra* and accompanying text (chronicling the development of the nondelegation doctrine through Supreme Court decisions from *Schechter Poultry* to *ATA*).

345. See Kahin, *supra* note 339, at 1.

346. See *id.* ("Once the patent is granted, the PTO engages in no form of external review or quality control and takes no responsibility for the functioning of the system as a whole.").

347. See *id.*

348. See Kerr, *Rethinking Patent Law*, *supra* note 334, at 138–39 (indicating that an examiner's role is simply to "apply a legal standard determined by Congress and the courts to the facts presented . . . by the applicant").

349. See Kahin, *supra* note 339, at 1.

350. Refer to notes 313–17 *supra* and accompanying text (discussing the Arkansas Supreme Court's *Gulf Rice* decision, which recognized these administrative protections).

reforms call for only piecemeal publication of pending applications.³⁵¹ Under this regime, the public has no sure way of knowing whether a patent is about to issue or even whether a patent application has been filed.³⁵² Patentees have frequently sued competitors on the day a patent issues,³⁵³ the first point in time at which anyone could have known the patent even existed. Lack of notice obviously denies individuals the opportunity to comment upon pending patent applications as well. These weak procedural safeguards provided by the Patent Act are accompanied by a growing suspicion that the Patent Office cannot competently perform even its core examination functions.³⁵⁴

Judicial review applies to patent acquisition procedures only in muted form. Disappointed patent applicants may appeal Patent Office rejections to the U.S. Court of Appeals for the Federal Circuit or the U.S. District Court for the District of Columbia.³⁵⁵ Members of the public possess no parallel right with regard to issued patents, however.³⁵⁶ An interested competitor who sought a declaratory judgment of patent invalidity would face dismissal unless the patentee had accused him of infringement.³⁵⁷ Even the Patent Office Director is unable to appeal the approval of a patent application by a member of the examining corps.³⁵⁸

Accused infringers do enjoy the dubious privilege of being able to contest the validity of patents that have been asserted against them.³⁵⁹ Practical constraints restrict this ability as well. Issued patents bear a presumption of validity that must be

351. 35 U.S.C. § 122(a) (2000).

352. *See id.* § 122(b)(2).

353. John R. Thomas, *On Preparatory Texts and Proprietary Technologies: The Place of Prosecution Histories in Patent Claim Interpretation*, 47 UCLA L. REV. 183, 201 & n.103 (1999) (highlighting recent cases in which patent infringement suits were filed on the same day as the issued patent).

354. *See* Kahin, *supra* note 339, at 1 (suggesting that the Patent Office is not organized in a manner that will benefit both the patentees and their competitors); Merges, *Six Impossible Patents*, *supra* note 58, at 589–91 (describing problems at the Patent Office).

355. 35 U.S.C. §§ 144–145.

356. Pegram, *supra* note 338, at 772 (stating that patent procedures generally favor patent owners and indicating that the only avenues available to a third party are to file a protest against a pending patent, or to request reexamination of a granted patent).

357. *See* Lisa A. Dolak, *Declaratory Judgment Jurisdiction in Patent Cases: Restoring the Balance Between the Patentee and the Accused Infringer*, 38 B.C. L. REV. 903, 903–04 (1997) (discussing an accused infringer's limited rights against a patentee).

358. 35 U.S.C. §§ 141–146 (refusing to provide the Patent Office Director with appellate review of patent applications).

359. *Id.* § 282 (discussing the defenses available to an accused infringer).

overcome by clear and convincing evidence.³⁶⁰ Defendants must also bear the weighty costs of patent litigation³⁶¹ and confront courts that can be quick to issue preliminary injunctions.

In sum, then, nondelegation principles potentially present serious concerns for the patent system. As a class of delegates, patentees are wholly unregulated. Although the Patent Act offers examiners intelligible standards to consider when analyzing patent applications, the Patent Office has been notorious for its inability to uphold them.³⁶² Decades of examining experience has taught us that however comprehensible, these standards are not practically achievable. Patent acquisition procedures also lack acknowledged administrative safeguards.³⁶³

Despite these severe suspicions about the whole of the patent law, a court would seem less likely to apply the nondelegation doctrine to traditional subjects of industrial property. Much like the “country elevators” of *ATA*,³⁶⁴ patents on dental floss,³⁶⁵ fishing rods,³⁶⁶ and fluorescent toilet seats³⁶⁷ do not seem the subject of a particularly robust conferral of lawmaking ability. The patent system’s constitutional status and long history of allowing private appropriation of technological artifacts weigh against broad application of the nondelegation doctrine to the entirety of Patent Office work product.

The likely reluctance of courts to apply the nondelegation doctrine comprehensively against patenting should not be taken

360. *Id.*; see, e.g., *Dana Corp. v. Am. Axle & Mfg., Inc.*, 279 F.3d 1372, 1375 (Fed. Cir. 2002) (recognizing that a patent’s presumption of validity “can only be overcome by clear and convincing evidence of facts to the contrary”).

361. See Pegram, *supra* note 338, at 769 (noting the three primary defenses available to accused infringers—noninfringement, invalidity, and unenforceability—each of which can be asserted in seeking a declaratory judgment to resolve the dispute rather than awaiting a suit by the patentee); see also Kahin, *supra* note 339, at 1 (warning that the strong presumption of validity results in “higher transaction costs on those who seek to challenge patents and exacerbates the free-rider problem of invalidating patents,” which frequently forces the accused infringer to settle the dispute rather than pursue a viable attack on the patent’s validity).

362. See Kahin, *supra* note 339, at 1 (critiquing the patent system’s level of quality by pointing to “the limited knowledge and experience of patent examiners” as well as “the difficulty of applying such a [subjective patent] standard in [a] volatile and fast-changing environment”); Merges, *Six Impossible Patents*, *supra* note 58, at 589–91.

363. Refer to notes 313–17 *supra* and accompanying text (discussing the Arkansas Supreme Court’s *Gulf Rice* decision, which acknowledged proper procedural and administrative safeguards).

364. See *Whitman v. Am. Trucking Ass’ns*, 531 U.S. 457, 475 (2001) (referencing the exemption of “country elevators” from new stationary-source regulations).

365. *E.g.*, U.S. Patent No. 5,819,767 (issued Oct. 13, 1998) (“Sterile Dental Floss Segments”).

366. *E.g.*, U.S. Patent No. 6,000,164 (issued Dec. 14, 1999) (“Fishing Rod”).

367. *E.g.*, U.S. Patent No. 6,151,723 (issued Nov. 28, 2000) (“Toilet Seat Lifter with Leverage Adjustment”).

as a weakness. Courts ought to recognize that alongside the Patent Act, individual patent instruments themselves embody congressional conferrals of legislative power. That the nondelegation doctrine may be used selectively, against discrete patent instruments, increases the likelihood it will be applied in the first place. *ATA* and its predecessors further support a selective approach. These precedents contemplate a sliding scale, where the case for a nondelegation violation is strongest, and where the scope of the congressional conferral is greatest.³⁶⁸ Surely private appropriations implicating protected constitutional interests should be subject to heightened judicial scrutiny.

Where state action may lead to restrictive judicial supervision of the patent system, the nondelegation doctrine would enable courts to take aim at private appropriations that implicate protected constitutional interests. No longstanding patent practice checks the application of nondelegation principles here. The Patent Office has only recently allowed individuals to procure these sorts of patents, and it arguably lacks a firm constitutional grounding when doing so. Potentially a sobering influence upon a patent system run amok, the nondelegation doctrine provides an underappreciated avenue for restraining patents that offend cherished individual liberties.

V. CONCLUSION

With Congress showing no apparent signs of interest in curbing the scope of patenting, courts may find the nondelegation doctrine an appropriate vehicle for recognizing public restrictions upon private governance. Acknowledgment that patenting principally serves a legislative function, and that private citizens have themselves been conferred lawmaking power, are necessary steps for recognizing nondelegation arguments in this context. These steps ought to be taken. With application of the state action doctrine and Intellectual Property Clause uncertain, the nondelegation doctrine offers accused patent infringers a backdoor to the Bill of Rights. If the account of the modern patent system is appropriately constructed, the Constitution may yet serve as a meaningful restraint upon the excesses of the dizzying ambitions of the contemporary intellectual property community.

368. See *TRIBE*, *supra* note 150, at 365 (“The Supreme Court is most likely to reject broad delegations of congressional power, typically on statutory grounds, when the action of the government agency claiming delegated power touches constitutionally sensitive areas of substantive liberty.”).