Do Federal Uses of Intellectual Property Implicate the Fifth Amendment?

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I. INTRODUCTION

If the law of takings as applied to real and personal property is the "muddle" that many commentators insist it is, the law of takings with regard to intellectual property can only be characterized as a muddle within the muddle. To illustrate, consider the following three scenarios, all of them based upon real cases, and decide for yourself whether you think the United States government has effected a taking of private property for public use, for which just compensation is due under the Fifth

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Amendment:

1. The United States Marine Corps purchases equipment that, without your knowledge or consent, incorporates your patented invention, and begins using that equipment for military purposes.

2. In accordance with a procedure set forth in a federal statute, you submit to the Environmental Protection Agency (EPA) trade secret data relating to your pesticide products, in connection with your application to register these products for manufacture and sale in the United States. Congress subsequently amends the statute to permit the EPA to disclose this information to the public under certain circumstances, and to use it in evaluating the safety and efficacy of other manufacturers' products or services.

3. The federal government, in a nationwide advertising campaign to promote tourism in federal parks, uses a slogan that you believe threatens to infringe or dilute a slogan that you have been using as a trademark to identify your products.

Readers familiar with government claims law will recognize the first scenario as one that arises with some frequency; they also may be excused for asking why it matters whether the government use constitutes a taking, in light of the fact that 28 U.S.C. § 1498(a) authorizes a patentee under circumstances like those described above to file suit against the United States in the United States Court of Federal Claims for "reasonable and entire compensation." Nevertheless, characterizing the use as a taking can have practical consequences, as one recent case decided by that court indicates.

In *De Graffenried v. United States*, the plaintiff sought compensation under section 1498(a) for the government's unauthorized use of his patent, and an award of attorney's fees under the Equal Access to Justice Act (EAJA). In opposing the request for fees, the government argued that section 1498(a) actions are eminent domain proceedings, and that the EAJA authorizes an award of attorney's fees in eminent domain proceedings only under certain limited circumstances not present in the case. Notwithstanding a series of cases dating from 1881 to the present

2. *See* U.S. CONST. amend. V.
3. For a discussion of trade secret law, *see infra* notes 29-31 and accompanying text.
4. For a discussion of trademark infringement and dilution, *see infra* notes 39-46 and accompanying text.
8. *See id.* at 386. Specifically, the EAJA authorizes the court to award attorney's fees to a "prevailing party" in a suit against the United States under certain circumstances. *See* 28 U.S.C. § 2412(b) (1994). In the case of eminent domain proceedings, however, the statute defines "prevailing party" as...
day in which the Supreme Court, the Federal Circuit, and the Court of Federal Claims itself have described the federal government’s use of patented inventions as an exercise of the federal eminent domain power,9 the court concluded that these descriptions are dictum and that federal uses of patents are not takings of private property for purposes of the Fifth Amendment.10 The court nevertheless relied on an alternative ground in denying the plaintiff’s fee request.11

Readers familiar with takings law itself will easily recognize the second scenario as based upon Ruckelshaus v. Monsanto Co.,12 a 1984 case in which the United States Supreme Court applied its regulatory takings framework13 to conclude that some, but not all, uses and disclosures of trade secret information in accordance with a federal regulatory scheme potentially implicate the Fifth Amendment.14 As discussed below, however, if Monsanto stands for the proposition that the regulatory takings framework applies to all or most government uses of intellectual property, then probably very few such uses qualify as takings, again notwithstanding the ostensibly contrary line of cases describing them in precisely this manner.15

To my knowledge, the third scenario has not yet occurred in a case involving the federal government, although a recent decision involving the State of Utah’s use of the slogan GREATEST SNOW ON EARTH involves similar facts.16 Under current law, the proper resolution of a case of this nature against the federal government remains unclear. Although the Federal Tort Claims Act17 permits trademark owners to file claims against

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a party who obtains a final judgment . . . the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.

Id. § 2412(d)(2)(H). In De Graffenried, the plaintiff did not qualify as a prevailing party under this definition because the compensation the court awarded him was much closer to the valuation provided by the government’s expert than it was to that provided by the plaintiff’s expert. Thus, if the proceeding was an eminent domain proceeding, the plaintiff was not entitled to attorney’s fees under the EAJA. See 29 Fed. Cl. at 386.

9. See infra Part II.A.
10. See De Graffenried, 29 Fed. Cl. at 386-89.
11. See id. at 389-92.
13. See infra notes 56-59 and accompanying text.
14. See infra notes 130-68 and accompanying text.
15. See infra notes 174-83 and accompanying text.
16. See Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 955 F. Supp. 605 (E.D. Va. 1997). The opinion does not, however, discuss the issue of whether the government’s use of a trademarked slogan may constitute a taking.
the United States for the violation of state trademark law,\textsuperscript{18} no federal statute explicitly authorizes suits against the United States for violations of federal trademark law\textsuperscript{19} such as the Federal Trademark Dilution Act.\textsuperscript{20} As discussed below, however, if the federal government's dilution of a trademark can be characterized as a taking of private property for public use, the owner may be able to obtain compensation from the government under the Tucker Act,\textsuperscript{21} although valuing the proper compensation for dilution of the mark will be difficult.\textsuperscript{22}

As the foregoing discussion suggests, the issue of whether uses of intellectual property by the federal\textsuperscript{23} government without the consent of the owner constitute takings of private property for public use, for which just compensation is due under the Fifth Amendment, has evoked wildly differing responses, ranging from the view that virtually all government uses of intellectual property constitute takings to the view that virtually none of them do.\textsuperscript{24} In this Article, I attempt to reconcile the various strands of intellectual property takings law on this topic into a coherent whole. Part II provides some background information on intellectual property and on general takings principles. Part III examines three competing perspectives, which I refer to as the Expansive, Middle, and Narrow Views, on the issue of whether federal uses of intellectual property implicate the Fifth Amendment, and then assesses the merits of these competing views. Part IV considers some additional complications arising from the fact that the Fifth Amendment applies only to (1) governmentally-authorized, (2) public uses (3) of private property. I conclude that, on balance, most federal uses of patents and copyrights probably do implicate the Takings Clause, but

\textsuperscript{18} See J. \textsc{Thomas} \textsc{McCarthy}, \textsc{McCarthy on Trademarks and Unfair Competition} § 25:63, at 25-102 (1997).

\textsuperscript{19} See id. at 25-102 to -103. But see Federal Express Corp. v. United States Postal Serv., 151 F.3d 536, 544 (6th Cir. 1998) (holding that Congress has waived U.S. Postal Service's immunity from suit for violation of Lanham Act); Global Mail Ltd. v. United States Postal Serv., 142 F.3d 208, 217 (4th Cir. 1998) (same); United States v. Q Int'l Courier, Inc., 131 F. 3d 770, 774-75 (8th Cir. 1997) (same).


\textsuperscript{22} See infra note 43.

\textsuperscript{23} The parallel issue of whether uses by state governments effect takings of private property for which the Fifth Amendment requires just compensation presents two additional complications not relevant to the present discussion: first, whether federal law preempts the states from exercising their eminent domain power over federal intellectual property rights and, second, if not, whether a plaintiff must file her intellectual property takings claim against the state in state court before proceeding with a federal action. A coauthor and I present a detailed discussion of these issues in Christina Bohannan & Thomas F. Cotter, \textit{When the State Steals Ideas: Is the Abrogation of State Sovereign Immunity from Federal Infringement Claims Constitutional in Light of Seminole Tribe?}, 67 \textsc{Fordham L. Rev.} (forthcoming 1999).

\textsuperscript{24} See infra notes 71-183 and accompanying text.
that noninfringing uses of trademarks and some other forms of unfair competition probably do not. As a result, the federal government appears to remain at least partially immune from liability for some violations of federal unfair competition law.

II. BACKGROUND

In this Part, I provide a very brief overview of the various types of intellectual property rights that may be subject to use by the federal government, and how these rights differ from one another. I then present background information concerning general principles of takings law.

A. Intellectual Property

Although the law of intellectual property can be divided in various ways, for purposes of the present discussion I shall concentrate first upon the law of patents and trade secrets, which provide exclusive rights in certain types of inventions and other useful information. To qualify for patent protection, an invention must be novel, useful, and nonobvious, and the patent application must disclose certain specified information that would enable others to make and use the invention. Once granted, a patent confers upon the patentee the right to exclude others from making, using, or selling the patented invention in the United States for a term ending twenty years from the date on which the patent application was filed. A trade secret, by contrast, can be any type of information that provides one with a competitive advantage as long as it remains secret. The owner of a trade secret may exclude others from, among other things, acquiring the secret by "improper means" such as theft or espionage, or


29. Under the Uniform Trade Secrets Act, for example, which has been adopted in a majority of states,

information, including a formula, pattern, compilation, program, device, method, technique, or process, that . . . derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use, and . . . is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

from using or disclosing the secret if the other knew (or had reason to know) at the time of disclosure or use that she had acquired it under circumstances giving rise to a duty to maintain secrecy. 30 Unlike the patentee, however, the trade secret owner cannot enjoin the manufacture, sale, or use of her invention by one who has independently invented it or who has discovered it through reverse engineering. 31

A third form of intellectual property protection, copyright, subsists in works of authorship—things such as literary works, musical compositions, paintings, sculptures, photographs, and movies—that are original and are fixed in a tangible medium of expression. 32 For a term consisting of the life of the author plus fifty years, 33 the owner of a copyright enjoys the five exclusive rights of reproduction, adaptation, distribution, and public performance and display, 34 subject to defenses such as fair use. 35 In addition, the statute confers upon the author of “works of visual art” (defined as the original and certain limited edition copies of paintings, drawings, sculptures, and photographic images, subject to various exceptions) 36 the so-called “moral rights” of claiming authorship of the work and, under some circumstances, preventing the distortion, mutilation, or other modification or destruction of the work. 38

Finally, under the law of trademarks and unfair competition, the owner of a trademark—essentially, any word or other symbol that identifies a unique source of a product or service 39 —may exclude others from using the same or a confusingly similar mark for the same or a related product or service, within the area in which the mark is enforceable. 40 A recent amendment to the federal Lanham Act 41 also provides a remedy for trademark “dilution,” which occurs when another’s use of the same or a similar mark on a different product or service threatens either to “blue” the mark’s distinctive nature or to “tarnish” it “through inherently negative or

30. See Unif. Trade Secrets Act § 1(2)(i), (ii); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 40 (1995) (similar).
31. See, e.g., RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 43.
33. See id. § 302(a).
35. See id. § 107 (providing limited defense for purposes such as criticism, comment, news reporting, teaching, scholarship, or research, in light of various specified factors); see also id. §§ 108-121 (setting forth additional limitations on exclusive rights).
37. See id. §§ 106A(a)(1), 106A(a)(2).
38. See id. §§ 106A(a)(3), 113(d).
40. See generally 2 Mccarthy, supra note 18, § 16:1; Blair & Cotter, supra note 25, at 1608. Trademarks are governed by the federal Lanham Act, 15 U.S.C.A. §§ 1051-1128 (West 1998), as well as by state law. See Blair & Cotter, supra note 25, at 1609.
unsavory associations, or with goods or services that produce a negative response. . .\)" Antidilution protection under the Lanham Act, however, is provided only to "famous" marks. Finally, the Lanham Act creates a federal cause of action for, among other things, the common-law unfair competition torts of false advertising and product disparagement. A defendant engages in false advertising when he makes a materially false representation concerning his own goods or services, whereas he commits product disparagement when the materially false representation concerns a competitor's goods or services.\)

B. General Takings Principles

The governing standards in the ensuing discussion derive of course from the Fifth Amendment to the United States Constitution, which provides in relevant part that private property may not "be taken for public use, without just compensation." More precisely, the amendment obligates the federal government to pay a property owner just compensation whenever a state actor, (1) duly authorized by law, (2) effects a taking, (3) of private property, (4) for a public use. This Part

42. Restatement (Third) of Unfair Competition § 25 cmt. c.
43. See 15 U.S.C.A. § 1125(c)(1) (West 1998) (setting forth factors to be considered in determining whether mark is sufficiently famous to merit protection against dilution); see also Restatement (Third) of Unfair Competition § 25 cmt. e ("As a general matter, a trademark is sufficiently distinctive to be diluted by a nonconfusing use if the mark retains its source significance when encountered outside the context of the goods or services with which the mark is used by the trademark owner.").

Another limitation imposed by the Federal Trademark Dilution Act is that, in general, the plaintiff is entitled only to injunctive relief; the court may award damages only in cases of willful dilution. See 15 U.S.C.A. § 43(c)(1), (2) (West 1998). The reason for this restriction is not entirely clear, but may reflect in part the belief that accurately assessing the damages attributable to an act of dilution may be next to impossible. See Blair & Cotter, supra note 25, at 1692-93.

45. See Restatement (Third) of Unfair Competition § 2.
46. See id. § 2 cmt. c.
47. U.S. Const. amend. V.
48. The Fifth Amendment also is incorporated by the Due Process Clause of the Fourteenth Amendment and is therefore applicable against the states. See Dolan v. City of Tigard, 512 U.S. 374, 383-84 (1994). As noted above, however, this Article focuses exclusively upon uses of intellectual property by the federal, rather than state, government.
50. See infra notes 53-59 and accompanying text (discussing what types of conduct constitute takings).
51. See Monsanto, 467 U.S. at 1000-04.
52. See id. at 1000-01, 1014-16.
provides some background information concerning what is often the most difficult issue in a takings case, namely, whether the type of conduct in which the government has engaged can be characterized as a taking (element two above). Consideration of the other elements listed above is taken up in the following Part.

By far the vast majority of Supreme Court decisions concerning takings have arisen in response to governmental actions involving real, as opposed to personal or intangible, property. Although scholars have criticized the Court for failing to provide a coherent rationale for the various strands of its takings jurisprudence, a few fairly unambiguous propositions can be drawn from the case law. One is that the physical occupation of one’s property (or a regulation authorizing a physical occupation) generally constitutes a taking requiring the payment of just compensation, even if the occupation amounts only to the imposition of an easement or servitude upon the land. A second is that, in cases in which the state interferes with the owner’s use or enjoyment of her property but does not cause or authorize a physical invasion, a court should consider several factors—including “the economic impact of the regulation, its interference with reasonable investment backed expectations, and the character of the governmental action”—to determine whether the action constitutes a

53. See, e.g., MARGARET JANE RADIN, REINTERPRETING PROPERTY 125 (1993) (discussing “the well-known paradox of takings jurisprudence” that, on the one hand, “owners may suffer large pecuniary losses . . . without a court’s finding a taking requiring compensation,” while on the other “if the court decides to characterize the government action as a physical occupation, a taking will be found even if the loss or inconvenience to the owner is minuscule.”).  

54. See, e.g., Lucas v. South Carolina Coastal Council, 505 U.S. 1003, 1015 (1992) (“In general (at least with regard to permanent invasions), no matter how minute the intrusion, and no matter how weighty the public purpose behind it, we have required compensation.”); Yee v. City of Escondido, 503 U.S. 519, 522 (1992) (“Where the government authorizes a physical occupation of property (or actually takes title), the Takings Clause generally requires compensation.”); Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 426 (1982) (holding that a statute requiring landlords to permit installation of cables and boxes for cable television effected taking); Kaiser Aetna v. United States, 444 U.S. 164, 180 (1979) (“even if the Government physically invades only an easement in property, it must nonetheless pay just compensation.”); but see Nollan v. California Coastal Comm’n, 483 U.S. 825, 834-37 (1987) (suggesting that state may condition grant of building permit on owner’s agreement to provide public easement, without effecting taking or imposing unconstitutional condition, if there is sufficient nexus between condition and legitimate state interest, and condition does not deprive owner of all economically viable use); Prune Yard Shopping Ctr. v. Robins, 447 U.S. 74, 83-84 (1980) (requiring shopping mall owner to permit plaintiffs to engage in political activity on mall premises did not constitute taking, despite fact that plaintiffs “may have ‘physically invaded’ ” owner’s property, where there was no evidence of impairment of value or use of property or that activity interfered with owner’s reasonable investment-backed expectations).


taking. With regard to real property, however, a regulation that deprives the owner of *all* use or value of her property virtually always constitutes a taking, 57 even if the deprivation is only temporary. 58 A regulation that deprives the owner of the most profitable use of a piece of personal property, however, may not constitute a taking, if the other factors militate against such a finding. 59

The proper method for analyzing an alleged taking of intellectual property is somewhat less clear. On the one hand, in *Monsanto*, 60 the only recent United States Supreme Court case dealing with an alleged taking of intellectual property (specifically, trade secrets), the Court applied the multifactor analysis described above (relating to the character of the action, its impact, and its effect upon expectations) to find that a federal statute operated to effect a taking with respect to some, but not all, trade secret information submitted to the government over the relevant period of time. 61 By itself, therefore, *Monsanto* might seem to suggest that there is no bright-line rule concerning government uses of intellectual property, and that the issue of whether any given use constitutes a taking will be highly

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57. *See Lucas*, 505 U.S. at 1015 (holding that state effects taking when "regulation denies all economically beneficial or productive use of land"); *see also id.* at 1027 ("[w]here the State seeks to sustain regulation that deprives land of all economically beneficial use, we think it may resist compensation only if the logically antecedent inquiry into the nature of the owner's estate shows that the proscribed use interests were not part of his title to begin with"); LAURENCE H. TRIBE, AMERICAN CONSTITUTIONAL LAW § 9-3, at 593 n.3 (2d ed. 1988) (noting that Court has sustained "[u]ncompensated losses in excess of 75% of a property's value caused by regulation"). In practice, however, regulations that deprive an owner of literally *all* uses of her property may be rare. *See, e.g.*, First English Evangelical Lutheran Church v. County of Los Angeles, 258 Cal. Rptr. 893, 902 (Ct. App. 1989) (holding that ordinance temporarily prohibiting construction on subject property did not deprive owner of all use of property), *on remand from* 482 U.S. 304 (1987).


59. *See Andrus v. Allard*, 444 U.S. 51, 64-68 (1979) (holding that regulations prohibiting most profitable use (commercial sales) of parts of birds legally killed prior to effective date of conservation statute did not effect taking, where owners retained right to possess, transport, display, and give away property); *see also Lucas*, 505 U.S. at 1027-28 (discussing *Andrus*).

60. *Monsanto*, 467 U.S. at 986.

61. *See id.* at 1005-16. I discuss this case in greater detail at infra notes 130-68 and accompanying text.
fact-specific. On the other hand, in a series of decisions involving the Act of June 25, 1910, ch. 423, 36 Stat. 851—a federal statute that, among other things, requires that patent owners be compensated when the federal government uses or manufactures their patented inventions without permission—the lower federal courts have characterized virtually all such uses supported by sufficient legislative authorization as takings. The language found in these opinions can in turn be traced back to a series of Supreme Court decisions from the late nineteenth and early twentieth centuries, in which the Court on several occasions appeared to endorse this view. Whether these older cases can be reconciled with Monsanto, or whether all uses of intellectual property must now be analyzed under the multifactor approach, presents one of the more difficult issues in modern takings jurisprudence.

III. THREE COMPETING VIEWS

In this Part, I consider three competing views on the issue of whether uses of intellectual property by the federal government constitute takings—assuming that those uses implicate property interests, are duly authorized by Congress, and serve some public use. Part III.A discusses what I shall refer to as the Expansive View, under which all or most uses that satisfy these other conditions qualify as takings for which just compensation is due. Part III.B discusses the Middle View, under which some but not all such uses qualify, and Part III.C the Narrow View under which virtually none of these uses implicate federal liability under the Fifth Amendment. Part III.D assesses the merits of these competing views.

A. The Expansive View

To understand the Expansive View requires a brief digression into a body of case law developed under the Court of Claims Act, the Tucker Act, and the Act of June 25, 1910, federal statutes that authorize certain

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62. But see infra notes 169-83 and accompanying text (discussing the argument that, even under the multi factor test, only those uses that deprive the intellectual property owner of virtually all of the value of her property qualify as takings).


64. See infra notes 71-78 and accompanying text.

65. See infra notes 79-129 and accompanying text.

66. See supra notes 49-52 and accompanying text.


suits against the United States government. One provision of the modern version of the Act of June 25, 1910, 28 U.S.C. § 1498(a), states in relevant part that:

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.

For the purposes of this section, the use or manufacture of an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.

Courts on many occasions have described section 1498(a) as a vehicle for patent owners to assert claims for takings of their patents by the federal government. In Motorola, Inc. v. United States, for example, the

70 28 U.S.C. § 1498(a) (1994). Title 28, § 1498(b), which was enacted in 1960, provides an analogous right to just compensation for copyright owners whose works are used by the federal government. See id. § 1498(b); see also 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.01[E][1] (1997) (discussing § 1498(b)). This provision, however, has been “rarely construed.” See Auerbach v. Sverdrup Corp., 829 F.2d 175, 178 (D.C. Cir. 1987), cited in 3 NIMMER & NIMMER, supra, § 12.01[E][1], at 12-33; see also Roberta Rosenthal Kwall, Governmental Use of Copyrighted Property: The Sovereign’s Prerogative, 67 Tex. L. Rev. 685, 695-703 (1989) (noting that § 201(e) of the Copyright Act, 17 U.S.C. § 201(e), might be read as prohibiting federal government from effecting takings of copyrights, but that to read statute in this fashion would conflict with § 1498(b)).

Claims against the United States for the infringement of a trademark in violation of state law can be filed in federal district court under the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 2671-80 (1994). See 3 Mccarthy, supra note 18, § 25:63, at 25-102. Violations of federal trademark law may not be asserted under this act, however, see id., and at least one court has held that the United States is immune from suits under the Lanham Act. See id. at 25-103 (citing Preferred Risk Mut. Ins. Co. v. United States, 86 F.3d 789 (8th Cir. 1996), cert. denied, 117 S. Ct. 1245 (1997)). But see cases cited supra note 19 (holding that Congress has waived U.S. Postal Service’s immunity from suit for violation of Lanham Act).

71 See Hughes Aircraft Co. v. United States, 86 F.3d 1566, 1571-72 (Fed. Cir. 1996) (“The government’s unlicensed use of a patented invention is properly viewed as a taking of property under the Fifth Amendment through the government’s exercise of its power of eminent domain . . . .”); Chew v. California, 893 F.2d 331, 336 (Fed. Cir. 1990) (stating that an action under 28 U.S.C. § 1498 is “based on principles related to the taking of property, namely a patent license, and subjects the United States to payment of appropriate compensation therefor”); Trojan, Inc. v. Shat-R-Shield, Inc., 885 F.2d 854, 857 (Fed. Cir. 1989) (Newman, J., concurring) (stating that “28 U.S.C. § 1498(a) is an eminent domain law,” but questioning whether it applies “to all possible
plaintiff filed suit against the United States for the alleged unauthorized use by the United States Marine Corps of a patented radar transponder.\textsuperscript{73} In its defense, the United States argued that the claim was barred because the plaintiff had failed to notify the United States of its prospective infringement in accordance with a provision of the Patent Act, 35 U.S.C. § 287, that governs the use of patent notices on patented articles.\textsuperscript{74} The Federal Circuit rejected this defense, concluding that section 1498(a) actions are not identical to infringement actions under the Patent Act, and that the defense set forth in 35 U.S.C. § 287 is not incorporated into section

\textsuperscript{73} See id. at 767-68. More specifically, Motorola had sold to the Marine Corps 30 units of the patented invention, none of which were marked with notice of Motorola’s patent rights. See id. at 767. The Corps subsequently published a request for proposals to supply an additional 112 units. Motorola filed a response to the request which referred to the patent, but the Corps awarded the contract to another firm. See id. Several years later, Motorola sued for patent infringement. The Claims Court, however, granted summary judgment for the United States, on the ground that Motorola had failed to adequately notify the Corps, in accordance with 35 U.S.C. § 287, that its use of the subject invention would constitute an infringement. In relevant part, § 287 provides that, when the patentee fails to mark its patented article with the word “Patent” (or the abbreviation “Pat.”) together with the patent number “no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice.” 35 U.S.C. § 287 (1994).
1498. In reaching this conclusion, the court expressly characterized the section 1498(a) action as one in which "the patent owner is seeking to recover just compensation for the Government's unauthorized taking and use of his invention," and asserted that "[t]he theoretical basis for his recovery is the doctrine of eminent domain." As a consequence, in a section 1498(a) action "the United States is not in the position of an ordinary infringer, but rather a compulsory, nonexclusive licensee."

The characterization of the federal government's manufacture or use of a patented invention as a taking can be traced to language found in a series of United States Supreme Court decisions from the late nineteenth and early twentieth centuries. In the first of these decisions, *James v. Campbell*, the plaintiff alleged that a United States Postmaster had engaged in the unauthorized use of the plaintiff's patented stamping machine. Although the Court ruled in favor of the defendant, on the ground that he had not, in fact, infringed the plaintiff's patent, the Court suggested in very broad language that any unauthorized use attributable to the federal government would constitute a taking:

That the government of the United States when it grants letters-patent for a new invention or discovery in the arts, confers upon the patentee an exclusive property in the patented invention which cannot be appropriated or used by the government itself, without just compensation, any more than it can appropriate or use without compensation land which has been patented to a private purchaser, we have no doubt. The Constitution gives to Congress 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," which could not be effected if the government had a reserved right to publish such writings or to use such inventions without the consent of the owner. Many inventions relate to subjects which can only be properly used by the government, such as explosive shells,

75. See *Motorola*, 729 F.2d at 768-72.
76. Id. at 768.
77. Id. (citations omitted).
78. Id. (citations omitted).
79. Many of the cases cited in *supra* note 71 cite one or more of these Supreme Court decisions. See, e.g., *Leesona Corp. v. United States*, 599 F.2d 958, 966-67 (Ct. Cl. 1979) (discussing *James v. Campbell*, 104 U.S. 356 (1881), and *Crozier v. Fried. Krupp Aktiengesellschaft*, 224 U.S. 290 (1912)).
80. 104 U.S. 356 (1881).
81. See id. at 357.
82. See id. at 383 (concluding that the machine used by the postmaster "was different from that which was patented").
rams, and submarine batteries to be attached to armed vessels. If it could use such inventions without compensation, the inventors could get no return at all for their discoveries and experiments.83

The Court quoted this language with approval five years later in Hollister v. Benedict & Burnham Co.,84 in the course of reversing, on the ground of obviousness, a judgment in favor of a patentee,85 and again seven years later in United States v. Palmer,86 an opinion affirming a judgment against the United States in a case involving the Army’s use and manufacture of patented infantry equipment.87 In the 1912 case of Crozier v. Fried. Krupp Aktiengesellschaft,88 involving the alleged manufacture and use of patented gun improvements by the Army’s Chief of Ordnance,89 the Court referred three times to actions filed under the 1910 amendment to the Court of Claims Act as actions in “eminent domain,”90 and twice described the government’s unauthorized manufacture or use of a patent as a “taking.”91

Finally, in William Cramp & Sons Ship & Engine Building Co. v. International Curtis Marine Turbine Co.,92 the Court once again referred to the government’s use of a patent as a taking,93 in the course of rejecting

83. Id. at 357-58. The Court also rejected the argument that, in issuing the patent, the United States could be deemed as having reserved a right to use the invention for its own purposes:

[the United States has no such prerogative as that which is claimed by the sovereigns of England, by which it can reserve to itself, either expressly or by implication, a superior dominion and use in that which it grants by letters-patent to those who entitle themselves to such grants. The government of the United States, as well as the citizen, is subject to the Constitution; and when it grants a patent the grantee is entitled to it as a matter of right, and does not receive it, as was originally supposed to be the case in England, as a matter of grace and favor.

Id. at 358.

84. 113 U.S. 59, 67-68 (1885).
85. See id. at 70-73.
86. See 128 U.S. 262, 270-71 (1888) (quoting James, 104 U.S. at 357-58).
87. In Palmer, the plaintiff owned two patents for improvements in infantry equipment, which he had demonstrated before an army board. Upon that board’s recommendation, the Secretary of War authorized the manufacture and purchase for use by the army of equipment that embodied the patents. When the government failed to pay for the use of the improvements, the plaintiff filed suit in the Court of Claims and was awarded a reasonable royalty. See id. at 262-64. The Supreme Court affirmed. See id. at 272.
88. 224 U.S. 290 (1912).
89. See id. at 297-300.
90. See id. at 305, 307, 308.
91. See id. at 306, 307. The Court nevertheless reversed a judgment in favor of the plaintiff, on the ground that the action, which had been commenced in the Supreme Court for the District of Columbia, should have been filed in the Court of Claims. See id. at 309.
92. 246 U.S. 28 (1918).
93. See id. at 39-40, 42, 44.
a government contractor's argument that its use of a patent in the course of fulfilling a government contract was a "licensed" transaction.94

The difficulty lies in determining whether to take at face value the Court's characterization, in James and subsequent cases, of unauthorized government uses of patents as takings. One problem is that, in each of these cases, the language referring to "takings" and "eminent domain" is, arguably, only dicta.95 As noted above, in James the Court held that the defendant postmaster had not used the plaintiff's invention,96 thus rendering superfluous the discussion of whether such a use otherwise would have constituted a taking. In Hollister, the Court also ruled against the patentee on the merits,97 and in Palmer the principal question was whether Palmer's claim against the United States could be characterized as a claim for breach of contract.98 Deciding whether the army's activities also constituted a taking was, therefore, unnecessary to the disposition of the case. In Krupp, the Court held that the lower court had properly dismissed the action on the ground that the plaintiff should have filed in the Court of Claims.99 Finally, in William Cramp & Sons, the Court held that a government contractor's unlicensed use of a patent infringed.100 Once again, the issue of whether some or all of the claims within the jurisdiction of the Court of Claims are also takings claims was largely extraneous to the issue before the Court.

Moreover, at least one case the Court decided in between Palmer and Krupp casts some doubt upon the theory that all unauthorized government uses of a patent constitute takings. To understand why this is so requires a brief foray into the history of the Court of Claims and Tucker Acts. At the time James was decided, and at the time the Palmer litigation was commenced, the Tucker Act had not yet been enacted. The Court of Claims Act, however, at that time conferred jurisdiction upon that court to hear "all claims founded upon any law of congress or upon any regulation of an

94. See id. at 37-45.
95. Judge Andewelt of the Court of Federal Claims not long ago made the same observation with regard to three earlier Court of Claims decisions that referred to actions under § 1498(a) as actions in eminent domain. See De Graffenried v. United States, 29 Fed. Cl. 384, 386-87 (1993).
96. See supra text accompanying note 82.
97. See supra notes 84-85 and accompanying text.
98. Only if it could be so characterized was jurisdiction proper in the Court of Claims, where Palmer had initiated the lawsuit, under the version of the Court of Claims Act in force at that time. See Palmer, 128 U.S. at 269-71; see also infra notes 105-06 and accompanying text (discussing Court of Claims' jurisdiction over breach of contract claims).
100. See William Cramp & Sons, 246 U.S. at 37-45. Congress subsequently overruled the result in William Cramp & Sons; a government contractor is no longer liable to the patentee, as long as his use of the patent is with the authorization or consent of the federal government. See 28 U.S.C. § 1498(a) (paragraphs 1 and 2); 5 DONALD S. CHISUM, CHISUM ON PATENTS § 16.06[3][a], at 16-279 to -281 (1998).
executive department, or upon any contract, expressed or implied, with the
government of the United States...” 101

Given that patent infringement claims are “founded upon [a] law of congress”—namely, the Patent Act—one might expect that the language quoted above would have been interpreted to mean that the Court of Claims could entertain patent infringement claims against the United States. In fact, however, the Supreme Court consistently has interpreted the words “founded upon any law of congress” as bestowing upon the Court of Claims jurisdiction only over claims arising out of legislation authorizing suits against the United States, 102 and the Patent Act has never contained any such authorization. Given, then, (1) that the Court of Claims Act otherwise excluded from the court’s jurisdiction claims sounding in tort, 103 and (2) that patent infringement is a tort, one might imagine that the Court’s restrictive interpretation of the words “founded upon [a] law of Congress” would have resulted in the exclusion from the jurisdiction of the Court of Claims any claims involving patent infringement. The Supreme Court in James nevertheless suggested (albeit once again in dicta, given that the actual case before the Court had not been filed in the Court of Claims and that neither of the parties had raised the jurisdictional issue) 104 one possible way around this problem: if the claim could be construed as a claim for breach of an implied contract on the part of the government to compensate the patentee, instead of for patent infringement, the Court of Claims would have jurisdiction to hear the case under its power to hear claims founded “upon any contract, express or implied.” 105 The Palmer Court later adopted this reasoning and concluded that the Court of Claims had properly exercised jurisdiction over Palmer’s suit, in light of the evidence that the government had used the subject patents with Palmer’s consent pursuant to an implied agreement that he would thereafter receive compensation. 106

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102. See, e.g., Bowen v. Massachusetts, 487 U.S. 879, 905 n.42 (1988) (“To determine whether one may bring, pursuant to Tucker Act jurisdiction, a ‘claim against the United States founded... upon... any Act of Congress,’ ‘one must always ask... whether the... legislation which the claimant cites can fairly be interpreted as mandating compensation by the Federal Government for the damage sustained’”) (quoting 28 U.S.C. § 1491(a)(1) (1982), and Eastport S.S. Corp. v. United States, 372 F.2d 1002, 1009 (Ct. Cl. 1967)); Great Falls Mfg. Co. v. Garland, 124 U.S. 581, 598-99 (1888).
103. See James, 104 U.S. at 358-59 (noting that Court of Claims’ jurisdiction did not extend to torts). This limitation was subsequently codified in the Tucker Act. See Act of Mar. 3, 1887, ch. 359, 24 Stat. 505, § 1.
104. See James, 104 U.S. at 358-59.
105. See id.
106. See Palmer, 128 U.S. at 269. Cf. 8 CHISUM, supra note 100, § 21.02 [1], at 21-27 to -28 (noting that claims for breach of patent licenses and agreements to assign patent rights are viewed as arising under state contract law, not federal patent law, “even though the existence of contract liability requires resolution of patent issues such as validity and infringement”).

https://scholarship.law.ufl.edu/flr/vol50/iss3/3
In 1887, Congress enacted the Tucker Act, which, among other things, authorized the Court of Claims to hear, in addition to the claims described in the Court of Claims Act, claims “founded upon the Constitution of the United States.” Once again, one might think that the express language of the statute, coupled now with two Supreme Court decisions characterizing the unauthorized use of a patent by the government as a taking, would have resulted in a consensus that the Court of Claims now had jurisdiction to hear all cases involving such uses on the part of the federal government. The Supreme Court nevertheless was quick to reject this reasoning in Schillinger v. United States. In Schillinger, the plaintiff had filed suit in the Court of Claims for compensation allegedly due as a result of the unlawful use by a government contractor of a patented process for laying concrete pavement. In affirming the dismissal of his claim for lack of subject matter jurisdiction, the Supreme Court distinguished Palmer on the ground that, in this case, there had been no consent by the patentee to the government’s use of his invention, and therefore that no implied promise of compensation had arisen; as a result, the plaintiff’s claim sounded in tort, not contract. Of greater interest, however, is Justice Brewer’s caustic rebuttal of the takings theory:

It is said that the Constitution forbids the taking of private property for public uses without just compensation; that therefore every appropriation of private property by any official to the uses of the government, no matter however wrongfully made, creates a claim founded upon the Constitution of the United States and within the letter of the grant in the act of 1887 of the jurisdiction to the Court of Claims. If that argument be good, it is equally good applied to every other provision of the Constitution as well as to every law of Congress. This prohibition of the taking of private property for public use without compensation is no more sacred than that other constitutional provision that no person shall be deprived of life, liberty, or property without due process of law. Can it be that Congress intended that every wrongful arrest and detention of an individual, or seizure of his property by an officer of the government, should expose it to an action for damages in the Court of Claims? If any such breadth of jurisdiction was contemplated, language which had already been given a restrictive meaning would have been

108. 155 U.S. 163 (1894).
109. See id. at 164-65. Specifically, the plaintiff alleged that the contractor hired by the United States to lay a concrete pavement on the grounds of the United States Capitol had used a patented process without the patentee’s permission. See id.
110. See id. at 169-70.
carefully avoided.\textsuperscript{111}

The Court thereafter continued to adhere to the distinctions recognized in \textit{Schillinger}—finding Court of Claims jurisdiction over patent disputes proper only when the claim could be characterized as sounding in contract—in three other cases decided prior to \textit{Krupp}.\textsuperscript{112} It is, therefore, debatable whether the holding in \textit{Krupp} (that the plaintiff had a right to sue the United States for damages, but only in the Court of Claims) would have been the same, notwithstanding the Court’s references to takings and eminent domain, had Congress not enacted the Act of June 25, 1910 just prior to the decision in \textit{Krupp} specifically to grant the Court of Claims jurisdiction to award “reasonable compensation” “whenever an invention described in and covered by a patent of the United States shall . . . be used by the United States without license of the owner thereof . . .”\textsuperscript{113} In light of this statutory change, the \textit{Krupp} Court did not have to decide whether the facts would have made out a claim for breach of an implied contract.\textsuperscript{114}

Perhaps the preceding discussion reads too much into \textit{Schillinger}. For one thing, the Court’s later pronouncements in \textit{Krupp}, to the effect that a government employee’s use without consent of the patentee constitutes a taking, might be read as a rejection of \textit{Schillinger}’s ostensibly narrower view of the Takings Clause.\textsuperscript{115} In addition, \textit{Schillinger} arguably can be distinguished from \textit{James} and \textit{Palmer} on at least two grounds. The first is the Court’s observation in \textit{Schillinger} that the person who allegedly infringed the patent at issue in that case was a government contractor, not a government official or employee.\textsuperscript{116} The Court on other occasions has asserted that the Fifth Amendment’s prohibition of uncompensated takings “is directed against the Government, and not against individual or public officers proceeding without the authority of legislative enactment”;\textsuperscript{117} thus, a deprivation that remains unauthorized, “expressly or by necessary implication . . . by some act of Congress, is not the act of the

\begin{itemize}
\item \textsuperscript{111} Id. at 168.
\item \textsuperscript{112} \textit{See} \textit{Harley v. United States}, 198 U.S. 229, 235 (1905) (affirming judgment that Court of Claims jurisdiction was improper, based on evidence refuting claim of implied contract); \textit{Russell v. United States}, 182 U.S. 516, 530, 535 (1901) (finding jurisdiction improper); \textit{United States v. Berdan Firearms Mfg. Co.}, 156 U.S. 552, 566-68 (1895) (finding jurisdiction proper under implied contract theory).
\item \textsuperscript{113} \textit{Act of June 25, 1910}, ch. 423, 36 Stat. 851.
\item \textsuperscript{114} \textit{Cf. Leesona Corp. v. United States}, 599 F.2d 958, 966 (Cl. Cl. 1979) (stating that “the implied contract theory was not applicable” in \textit{Krupp}).
\item \textsuperscript{115} \textit{See supra} notes 88-91 and accompanying text (discussing \textit{Krupp}).
\item \textsuperscript{116} \textit{Compare supra} text accompanying note 107 \textit{with supra} text accompanying note 81 and \textit{supra} note 87 and accompanying text.
\item \textsuperscript{117} \textit{Hoe v. United States}, 218 U.S. 322, 335-36 (1910).
\end{itemize}
Government.” The Schillinger Court’s refusal to find a taking therefore may be attributable in part to its conclusion that the infringer lacked the congressional authorization to use the patented process that would have rendered the government responsible for his acts. A second argument in


119. This ground for distinguishing *Schillinger*, however, does not make it much easier to square the language in the *James* line of cases with the Court’s post-*Schillinger*, pre-*Krupp* decision in *Harley v. United States*, 198 U.S. 229 (1905). In *Harley*, the plaintiff, a United States Treasury employee, alleged that two high-ranking government officials—the Secretary of the Treasury and the Chief of the Bureau of Engraving and Printing—had infringed his patented device for registering the number of impressions made by a plate-printing press. *See id.* at 229-30. Although one would think that the activities in which these officials were alleged to have engaged would have been within the normal scope of their duties, and therefore perhaps implicitly authorized by Congress, the Court affirmed the judgment of the Court of Claims dismissing the action for lack of jurisdiction, on the ground that the facts alleged did not state a claim for breach of implied contract. *See id.* at 234-36.

Justice Harlan (who was, coincidentally, the author of the *Hooe* opinion, quoted *infra* at text accompanying notes 234-35) dissented in *Schillinger* on the ground that the contractor’s activities were sufficiently authorized by the government to qualify as a taking:

Under the authority given by Congress to expend the money appropriated in improving the Capitol grounds according to specified plans, the Architect of the Capitol had a large discretion, and was authorized, so far as the government was concerned, to use in such improvement any patented invention that those plans would require, or that would best subserve the public interests, subject of course to the constitutional obligation to make just compensation to the inventor. The Constitution imposing that obligation is a covenant between the government and every citizen whose property is appropriated by it for public use. . . . If the act of Congress under which the Architect proceeded had, in express terms, directed him to use Schillinger’s invention in any pavement laid down in the public grounds, then such use . . . would have made a case of implied contract based on the constitutional obligation to make just compensation for private property taken for public use. But such a case is not distinguishable, in principle, from the present one, where the Architect, proceeding under a general authority to expend the public money according to specified plans, uses or knowingly permits to be used a particular patented invention . . . .

*Schillinger*, 155 U.S. at 178 (Harlan, J., dissenting). Justice Harlan also dissented in two other important cases from roughly the same time period involving the government’s use of patents. *See* International Postal Supply Co. v. Bruce, 194 U.S. 601, 606-17 (1904) (Harlan, J., dissenting), and
favors of a narrow reading of *Schillinger* is that the Court in that case also expressed doubt as to whether the government’s mere use of pavement that was allegedly constructed by means of a patented process—but which was not itself a patented article—deprived the plaintiff of a property interest. 120 (Until very recently, the use of an article that itself is not patented did not constitute patent infringement, even if the article was created by means of a patented process without the consent of the patentee.) 121 Perhaps, then, *Schillinger* only stands for the unobjectionable proposition that a use of a patent must be authorized, expressly or implicitly, by Congress in order for it to qualify as a taking by the federal government. 122 The fact nevertheless remains that, in the one (or perhaps two) 123 instances that arose during the period of time we have been discussing in which the depiction of the government’s unauthorized use as a taking would have affected the outcome of the case, the Court expressly chose not to characterize the use in that fashion.

Moreover, one might argue that it is perhaps just as plausible to read *Krupp* as being consistent with the *Schillinger* Court’s ostensibly narrow view of the Takings Clause, as it is to read *Schillinger* as being consistent with *Krupp*’s ostensibly liberal view. As noted above, the only issue squarely before the Court in *Krupp* was whether the plaintiff should have filed the action in the Court of Claims under the Act of June 25, 1910. 124 A close reading of the opinion suggests, however, that in characterizing the

Belknap v. Schild, 161 U.S. 10, 27-28 (1896) (Harlan, J., dissenting). In both cases, the Court held that the plaintiff was not entitled to an injunction compelling government officials, who allegedly had engaged in the unauthorized manufacture or use of a patented invention, to refrain from using articles belonging to the government which incorporated that invention. The Court reasoned that it could not interfere with the property of the United States government without having the United States before it as a party, and that it could not compel the United States to be a party absent a waiver of sovereign immunity. See Bruce, 194 U.S. at 605; Belknap, 161 U.S. at 23-25.

120. See *Schillinger*, 155 U.S. at 171-72. This ground for distinguishing *Schillinger* also does not make Harley any easier to square with James, Palmer, and Krupp, inasmuch as the government officials in Harley were alleged to have used the patented invention, not merely an article produced by a patented process. See Harley, 198 U.S. at 229-33.

121. It was not until 1989 that the Patent Act was amended so as to render the user of the unpatented article, as well as the user of the patented process, liable under these circumstances. See Omnibus Trade and Competitiveness Act of 1988, 102 Stat. 1107, 1563-64, 1566-67, Pub. L. No. 100-418, §§ 9003, 9006 (enacting 35 U.S.C. § 271(g)).

122. For evidence that this was Justice Brewer’s view, see his later opinion in United States v. Lynah, 188 U.S. 455, 458-65 (1903) (a case involving a taking of land), in the course of which he attempts to reconcile the various strands of the Court’s patent/takings jurisprudence to that time.

123. See supra note 119 (discussing Harley, 198 U.S. 229 (1905)); see also Turton v. United States, 212 F.2d 354, 355 (6th Cir. 1954) (holding, without addressing takings theory, that United States was immune from liability for copyright infringement); Porter v. United States, 473 F.2d 1329, 1337 (5th Cir. 1973) (citing Turton for proposition that copyright infringement allegedly committed by United States government did not constitute taking).

124. See supra note 99 and accompanying text.
amended act (the predecessor of section 1498(a)) as creating a claim against the United States for a taking of patent rights, the Court may have meant that the statute converted into takings actions that otherwise would have been only wrongful acts on the part of the government official (even if within the scope of his official duties) for which the federal government would not have been responsible. In concluding that the amendment authorized patentees to sue in the Court of Claims regardless of whether the evidence could support a claim for breach of contract, the Court stated:

the statute endows any owner of a patent with the right to establish . . . the truth of his belief that his rights have been . . . appropriated by an officer of the United States, and if he does so establish such appropriation, that the United States shall be considered as having ratified the act of the officer, and be treated as responsible pecuniarily for the consequences . . . The adoption by the United States of the wrongful act of an officer is, of course, an adoption of the act when and as committed, and causes such act of the officer to be, in virtue of the statute, a rightful appropriation by the government, for which compensation is provided . . . . [I]n view of . . . the undoubted authority of the United States . . . to exert the power of eminent domain, the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides.

One possible interpretation of this language is that the 1910 amendment caused the United States to "ratify" acts for which it otherwise would not have been responsible, even in theory. By virtue of having ratified those acts, the government could be said to have effected a taking. In other words, the Court may not have meant that any use of a patent by a government official within the scope of his official duties constituted a taking, outside the context of the amendment, but rather that the

125. See Crozier v. Krupp Aktiengesellschaft, 224 U.S. 290, 306 (1912) (stating that "the statute makes full and adequate provision for the exercise of the power of eminent domain for which . . . it was the purpose of the statute to provide," and that "no contention was made . . . that the statute of 1910 does not provide methods of compensation adequate to the exercise of the power of taking for which the statute provides").
126. Id. at 304-05 (emphasis added).
127. See id. at 308 (stating that the government had acquired a license to use the plaintiff's invention "under the right of eminent domain, as the result of the statute of 1910") (emphasis added).
amendment itself transformed those acts into takings.128

Even if this interpretation of Krupp is correct, however, all it means is that the Fifth Amendment does not require the federal government to provide compensation for uses by government officials within the scope of their official duties, where Congress has not specifically authorized or ratified the use; uses that are sufficiently authorized or ratified after the fact would still constitute takings, assuming that they satisfy some public purpose.129 In this regard, even the narrow reading of Krupp would be consistent with the view that the government may effect a taking even when its use does not destroy all or most of the value of the subject property.

B. The Middle View

Support for what I shall refer to as the "Middle View" of the takings question as applied to intellectual property—that some but not all legislatively-authorized government uses constitute takings, and that a court must engage a fact-sensitive, particularized analysis to determine the status of any specific use—can be found in the only recent case in which the Supreme Court has considered an alleged taking of intellectual property, Ruckelshaus v. Monsanto Co.130 The dispute in Monsanto centered on certain provisions of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA),131 as amended by the Federal Pesticide Act of 1978.132 As originally enacted, FIFRA required all pesticide manufacturers to register their products with the Secretary of Agriculture and authorized the Secretary to require those manufacturers to submit data, including product formulas, relating to any claims made by them to the public concerning the efficacy of their products.133 In 1970, Congress transferred

128. See Leesona Corp. v. United States, 599 F.2d 958, 967 (Ct. Cl. 1979) (stating that Act of 1910 "adopts the infringement as the act of the United States and makes it a rightful exercise of the power of eminent domain").


133. See Monsanto, 467 U.S. at 991 (citing FIFRA, §§ 3(a), 4(a), 61 Stat. 166-67).
authority for the administration of FIFRA to the EPA and required EPA to determine, as a condition for granting registration, that the product at issue would not cause "unreasonable adverse effects on the environment." The 1972 legislation also allowed EPA to consider data submitted by one registration applicant for the purpose of considering another's application relating to a similar chemical, provided that the second applicant offered to compensate the first for the use of those data. The legislation permitted applicants, however, to designate data submitted to the agency as "trade secrets or commercial or financial information," and prohibited EPA from publicly disclosing any information that, in its judgment, contained or related such "trade secrets or commercial or financial information." In addition, the statute forbade EPA from using any such confidential information in support of another applicant's registration application, unless the owner of that information consented.

The Federal Pesticide Act of 1978 amended these disclosure and use provisions in three crucial respects. First, the act provided that applicants could have exclusive use of any data relating to "new active ingredients contained in pesticides" registered on or after October 1, 1978, but only for ten years, after which EPA could use those data in support of another's application without limitation. Second, the act permitted EPA to use any other data, submitted after December 31, 1969, for the purpose of considering another applicant's registration application—regardless of whether those data qualified as trade secrets or other confidential information—as long as the second applicant offered to compensate the first. Third, the act authorized EPA to disclose certain health, safety, and

136. See id. at 992 (citing FEPCA, § 3(c)(1)(D), 86 Stat. 980). As the Court noted, "[t]he amount of compensation was to be negotiated by the parties, or, in the event negotiations failed, was to be determined by EPA, subject to judicial review upon the instigation of the original data submitter." Id.; see FEPCA, § 3(c)(1)(D), 86 Stat. 980.
137. Monsanto, 467 U.S. at 992 (quoting FEPCA, § 10(a), 86 Stat. 989).
138. Id. (quoting FEPCA, § 10(b), 86 Stat. 989). The statute also authorized the applicant to file a declaratory judgment action in federal district court in the event that EPA disagreed with the applicant's designation of material as "trade secrets or commercial or financial information." See id. (citing FEPCA, § 10(c), 86 Stat. 989).
139. See id. at 992-93 (citing FEPCA, § 3(c)(1)(D), 86 Stat. 980).
141. See id. (citing Federal Pesticide Act of 1978, § 2(a)(1), 92 Stat. 820-21). The Court noted that, if the parties could not reach agreement on the amount of compensation, either was entitled to commence a binding arbitration proceeding, the results of which would not be subject to judicial review absent a showing of fraud; and that if the first applicant refused to negotiate or to participate in the arbitration, he would forfeit his claim for compensation. See id. (citing Federal Pesticide Act
environmental data, including trade secrets and other confidential information, if the Administrator determined that disclosure was "necessary to protect against an unreasonable risk of injury to health or the environment."\textsuperscript{142} In response to these amendments, Monsanto Company, a manufacturer of pesticides and other chemicals, filed suit in federal district court, arguing that the legislation effected a taking without just compensation.\textsuperscript{143} The district court agreed and enjoined the EPA Administrator from implementing or enforcing those provisions.\textsuperscript{144}

On appeal, the Supreme Court turned first to the question of whether the information Monsanto had submitted to EPA was a form of property protected under the Fifth Amendment.\textsuperscript{145} The Court answered this question in the affirmative, noting, among other things, that much of the information qualified as trade secrets under Missouri law; that trade secrets "have many of the characteristics of more tangible forms of property," including assignability and the capacity to form the res of a trust; and that the Court in the past had recognized other types of intangible property, such as liens and contracts, as being subject to the Takings Clause.\textsuperscript{146} Second, in order to determine whether the 1978 legislation effected a taking of this property, the Court stated that "several factors . . . should be taken into account,"\textsuperscript{147} including "the character of the governmental action, its economic impact, and its interference with reasonable investment-backed expectations."\textsuperscript{148} The Court nevertheless focused its attention principally upon the last-named factor, the degree to which the governmental action had interfered with Monsanto's reasonable investment-backed expectations.\textsuperscript{149}

First, the Court considered whether Monsanto had a reasonable investment-backed expectation that EPA would keep the data submitted on or after October 1, 1978—the effective date of the 1978 legislation described above—"confidential beyond the limits prescribed in the amended statute itself."\textsuperscript{150} The Court concluded that it did not, because the amendment gave fair notice that EPA could disclose or use any information submitted on or after that date, subject to the statutory criteria.\textsuperscript{151} As a consequence, Monsanto could "hardly argue that its

\textsuperscript{142} Id. at 995-97 (quoting Federal Pesticide Act of 1978, § 15, 92 Stat. 830-31).
\textsuperscript{143} See id. at 998-99.
\textsuperscript{144} See id. at 1000; see also Monsanto Co. v. Acting Adm'r, United States EPA, 564 F. Supp. 552, 564-69 (E.D. Mo. 1983).
\textsuperscript{145} See Monsanto, 467 U.S. at 1001-03.
\textsuperscript{146} See id.
\textsuperscript{147} Id. at 1005.
\textsuperscript{148} Id. (quoting PruneYard Shopping Ctr. v. Robins, 447 U.S. 74, 83 (1980)).
\textsuperscript{149} See id.
\textsuperscript{150} Id. at 1006.
\textsuperscript{151} See id. at 1006-07.
reasonable investment-backed expectations [would be] disturbed” if information it “chose to submit . . . in order to receive a registration” was disclosed or used in accordance with the statutory scheme.\footnote{152}{Id. The Court also rejected the argument that the statute placed an unconstitutional condition upon the right to receive a government benefit, reasoning that imposing upon the applicant the risk of losing a property right in return for obtaining government approval to market its product was rationally related to a legitimate government interest. See id. at 1007-08.}

Second, the Court considered whether Monsanto had a reasonable expectation of secrecy with regard to data submitted prior to October 22, 1972, the effective date of the 1972 amendments to FIFRA.\footnote{153}{See id. at 1008-14.} Again, the Court concluded that any such expectation would not have been reasonable, because prior to that date no provision of FIFRA addressed the issue of whether the government was required to keep information submitted under the statute secret.\footnote{154}{See id. at 1008-10.} Moreover, although the Federal Trade Secrets Act imposed a criminal penalty upon any government employee who disclosed trade secrets revealed to him in the course of his official duties,\footnote{155}{See 18 U.S.C. \textsection 1905 (1970).} the Court reasoned that this act did not give rise to a reasonable expectation that the information submitted by Monsanto prior to 1972 would remain secret forever, because the act specifically exempted from liability any disclosures made in a manner authorized by law.\footnote{156}{See Monsanto, 467 U.S. at 1008-10.} The Court described the ex ante likelihood that Congress would someday authorize the disclosure of this material as “substantial.”\footnote{157}{See id. at 1008-09.}

The Court nevertheless concluded that the 1978 amendments to FIFRA did effect a taking with regard to information submitted to EPA during the interim period from October 22, 1972 to September 30, 1978.\footnote{158}{See supra text accompanying notes 136-39.} As noted above, under the rules in effect at that time EPA was flatly prohibited from disclosing trade secret information and from using any such data in connection with other companies’ applications.\footnote{159}{See Monsanto, 467 U.S. at 1011.} Thus, the disclosure or use of any trade secrets submitted during this interim period

\footnote{160}{Monsanto, 467 U.S. at 1011.} would frustrate Monsanto’s reasonable investment-backed expectation with respect to” the data.\footnote{161}{See id. at 1011-12 & n.15.} Moreover, because “the value of a trade secret lies in the competitive advantage it gives its owner over competitors,” the Court reasoned that any disclosure or use would cause Monsanto to lose its property interest in the information.
could constitute a taking of private property. 162

Finally, the Court considered whether any taking effected pursuant to the statutory provisions at issue would be for “public use,” as required by the Fifth Amendment, and whether the district court had properly enjoined EPA from enforcing those provisions. 163 While recognizing that “the most direct beneficiaries” of any taking effected under the data-sharing provisions of the 1978 legislation would be later applicants, the Court found a sufficient public purpose insofar as data-sharing could serve to “eliminate costly duplication of research and streamline the registration process, making new end-use products available to consumers more quickly.” 164 Similarly, the data-disclosure provisions arguably served a public purpose by allowing “members of the public to determine the likelihood of individualized risks peculiar to their use of a product,” even though the product had previously met with EPA approval. 165 The Court nevertheless vacated the injunction on the grounds that injunctive relief “is not available to enjoin an alleged taking of private property for a public use, duly authorized by law, when a suit for compensation can be brought against the sovereign subsequent to the taking,” and that, in the event the statute did result in a taking of private property, such a suit could be brought in the United States Claims Court under the Tucker Act. 166

In summary, under the approach applied in Monsanto, it is clear that at least some legislatively-authorized government uses of intellectual property do not constitute takings; and that the multifactor analysis which the Court applies in cases involving alleged regulatory takings 167 (as opposed to the categorical rule applied in cases involving physical invasions) 168 should govern in at least some cases involving intellectual property. In both of these respects, Monsanto appears to depart from the James line of cases, all of which analogize government uses of one form of intellectual property, patents, to the taking of an easement over real

162. See id. at 1013-14. The Court asserted, however, that if the government’s disclosure of a trade secret causes the owner’s profits to fall in response to greater public awareness of a product’s harmful effects, rather than by affecting the owner’s competitive edge over other manufacturers, the disclosure would not constitute a taking, given that the value of the secret “lies in the competitive advantage it gives its owner over competitors.” See id. at 1011-12 n.15.

163. See id. at 1014-16.

164. Id. at 1014-15.

165. See id. at 1015-16.

166. See id. at 1016-20 (quoting Larson v. Domestic & Foreign Commerce Corp., 337 U.S. 682, 697 n.18 (1949)). The Court also noted that, since the evidence did not disclose that any taking had yet occurred, it was possible that the compensation scheme set forth in the data-sharing provisions of the 1978 legislation would satisfy the Fifth Amendment’s just compensation requirement with respect to any data disclosed pursuant to those provisions. See id. at 1012-14 & n.16.

167. See supra notes 56-59 and accompanying text.

168. See supra notes 54-55 and accompanying text.
property for which compensation is always due. If *Monsanto* signals a
displacement of the principles set forth in *James*, however, the habit, in
which both the Federal Circuit and the Court of Federal Claims continue
to indulge, of invoking the takings mantra when discussing section 1498
claims is at best anachronistic and at worst misleading.

C. The Narrow View

A third possibility, which was suggested recently by Professor Vázquez
and which I shall refer to as the “Narrow View,” is that only those
government uses of intellectual property that “virtually destroy” the
property’s value qualify as takings. In support of this view, Vázquez
cites Laurence Tribe’s treatise on constitutional law, in which Tribe states
that a regulatory taking occurs “when government controls a person’s use
of property so tightly that, although some uses remain to the owner, the
property’s value has been virtually destroyed.” The Supreme Court, as
Tribe notes, has declined to find takings in cases in which the regulation
at issue has caused real property values to diminish by seventy-five percent
or more, and has acknowledged that regulations which decrease property
values by as much as ninety-five percent may not constitute takings. At
the same time, however, the Court has also suggested that at least some
regulations which fall short of causing such extensive losses may be
viewed as takings under the multifactor approach. Thus, while Vázquez
may be indulging in a slight overstatement when he asserts that only those
regulations that deprive the property owner of virtually all of the value of
his property constitute takings, even the approximate accuracy of this
principle applied to government uses of intellectual property probably
means that few such uses are likely to qualify as takings. As described
below, there appear to be no more than a handful of situations in which the
government’s use of intellectual property is likely to “virtually destroy” the
value of that property to its owner.

171. *See id.* at 593 n.3.
172. *In Lucas v. South Carolina Coastal Council*, 505 U.S. 1003 (1992), the Court asserted that there are “at least two discrete categories of regulatory action” which are “compensable without case-specific inquiry into the public interest advanced in support of the restraint”: “regulations that compel the property owner to suffer a physical ‘invasion’ of his property,” and regulations that “de[ny] all economically beneficial or productive use of land.” *Id.* at 1015. While acknowledging that a landowner whose property value is reduced by less than 100% might not be entitled to an automatic finding that his property has been subjected to a taking—and “that in at least some cases the landowner with 95% loss will get nothing”—the Court suggested that at least some such partial deprivations might qualify as takings under the multi factor approach. *See id.* at 1019 n.8.
173. *See supra* note 172.
The most obvious scenario under which a government use of intellectual property is likely to eliminate the property's value to its owner is when the government is the only potential purchaser of the right to use the property—such as might be the case, for example, with regard to a patented invention that is useful only for military purposes.\(^{174}\) Relatively few intellectual products are likely to fall into this category, however.\(^{175}\)

A second instance in which the government might destroy the value of an intellectual product would be when the government discloses a trade secret. As the Court noted in *Monsanto*, such disclosure could effectively destroy the competitive advantage embodied by the secret, because the information would then be free for others to use without limitation.\(^{176}\) For this reason, *Monsanto* itself can be viewed as a case espousing the Narrow View.\(^{177}\) Mere use of the information by the government, however, would destroy its value only when the government otherwise would be the only potential purchaser of the secret, a circumstance which, for reasons stated above, is unlikely to occur very often.\(^{178}\)

A third possible situation in which a government’s use of a work may destroy all or most of its value to the owner is when the government incorporates copyrighted material into judicial opinions, statutes, regulations, or other government documents. Because works of the United States government are not copyrightable,\(^{179}\) one might argue that the incorporation of a copyrighted work into such documents causes the work to fall into the public domain.\(^{180}\) Substantial authority suggests, however,

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174. *See* James v. Campbell, 104 U.S. 356, 358 (1881) (noting that “[m]any inventions relate to subjects which can only be properly used by the government,” and that “[i]f it could use such inventions without compensation, the inventors could get no return at all for their discoveries and experiments”).

175. Moreover, while there probably are some patented inventions, nonpatented trade secrets, and copyrighted works of authorship (such as computer programs) that are of use only to governmental entities, it is difficult to imagine how a nongovernmental entity could create a valid trademark that subsequently would be useful only to a governmental entity, given that trademarks rights do not come into existence until a person uses the mark to identify goods or services for sale to the public. *See* Blair & Cotter, *supra* note 25, at 1608. The Lanham Act also prohibits the registration of any mark that falsely suggests a connection with or disparages any national symbol, *see* 15 U.S.C. § 1052(a) (1994); or which “[c]onsists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality.” *Id.* § 1052(b).

176. *See* Monsanto, 467 U.S. at 1011-12 & n.15; *see also* Unif. Trade Secrets Act § 1(4) (reprinted in 14 UNIFORM LAWS ANNOTATED: CIVIL PROCEDURAL AND REMEDIAL LAWS 438 (master ed. 1990 & Supp. 1997)) (defining trade secret as information that derives value “from not being generally known to, and not being readily ascertainable by proper means by, other persons”).

177. In other words, perhaps there really is no Middle View, but only the Expansive and Narrow Views, given that the use in *Monsanto* that was held to potentially effect a taking probably also would have constituted a taking under the Narrow View.

178. *See supra* notes 174-75 and accompanying text.


that this argument is incorrect, and that the copyright owner retains her copyright in such materials notwithstanding their incorporation into government documents, although the value of the copyright may be diminished to some extent due to the ease with which others may be able to reproduce works found in government documents.

Finally, with regard to trademarks, it is perhaps conceivable for the government to destroy the value of a mark either through infringement or dilution by using a similar mark or slogan in connection with the promotion of government products or services. In one recent case, for example, Ringling Brothers-Barnum & Bailey unsuccessfully claimed that the State of Utah’s Division of Travel Development had diluted the value of the trademark THE GREATEST SHOW ON EARTH by using the slogan THE GREATEST SNOW ON EARTH to promote tourism in the State of Utah. The likelihood of a government use so tarnishing a mark as to render it virtually worthless nevertheless appears remote, and I am aware of no instances in which a use of this nature has ever occurred.

Aside from the preceding four scenarios, it is difficult to imagine any

180) (suggesting that public’s due process right of free access to laws requires that state’s incorporation into state administrative regulations of model building code written by private organization caused code to fall into public domain).

181. See CCC Inf. Servs. v. Maclean Hunter Market Reports, Inc., 44 F.3d 61, 73-74 (2d Cir. 1994) (holding that references in state statutes and regulations to copyrighted compilation as legal standard for determining automobile valuations did not result in loss of copyright, and calling into question validity of Building Officials); 1 NIMMER & NIMMER, supra note 70, § 5.06(C), at 5-91 to 5-92 (arguing that, while government’s adoption of copyrighted model code may require recognition of fair use defense for one who reproduces code for personal use, it does not thrust code into public domain, and that commercial publisher should be liable for code’s unauthorized reproduction and distribution); cf. Building Officials, 628 F.2d at 735-36 (stating that legislative history of 17 U.S.C. § 105 suggests that adoption of copyrighted materials into federal government publications does not affect copyright protection, but that rule might be different with regard to incorporation of copyrighted materials into state laws) (quoting H.R. REP. NO. 94-1476, at 60 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5673).

182. Strictly speaking, the government’s ability to diminish the value of a copyright by making a work publicly available at little or no cost may not be limited to situations in which the work is incorporated into government documents; if the government were so minded, it could reduce the copyright owner’s ability to market her work simply by distributing free copies or by posting the contents on the Internet. Conspiracy theorists may judge for themselves the likelihood of this scenario coming to pass, but even the most diehard X-Files fan would have to admit that limiting takings claims to situations like these probably would leave the vast majority of government uses of intellectual property outside the purview of the Takings Clause.

other circumstances under which the government’s use of intellectual property would be likely to constitute a taking under the Narrow View. Thus, if Monsanto stands for the proposition that the regulatory takings framework applies generally to government uses of intellectual property, and if that framework as applied usually permits the government to avoid compensating property owners unless state action destroys all or almost all of the property’s value, the Fifth Amendment creates almost no obligation to compensate intellectual property owners for federal uses of their works.

D. Assessing the Competing Views

The preceding discussion should serve to demonstrate the thoroughly “muddled” nature of intellectual property takings law. There are nevertheless two possible ways of trying to reconcile the ostensibly contradictory strands in the case law, though neither resolution is entirely satisfactory: either by according little weight to the Court of Claims Act line of cases emanating from James or by limiting Monsanto to its facts. For the reasons discussed below, the latter approach, while problematic, seems at least somewhat more persuasive.

The first possibility is that Monsanto implicitly overrules those portions of the older cases which might be read as suggesting that all legislatively-authorized government uses of intellectual property without the consent of the owner constitute takings; and that Monsanto stands for the proposition that all governmental uses of intellectual property should be assessed instead under the regulatory takings framework. Whether the application of this framework in turn results in a victory for the Middle or Narrow View depends upon whether Vázquez is correct in asserting that only those uses that virtually destroy the value of the property are likely to qualify as takings.

One virtue of this interpretation is that it would not entail disapproving of the outcomes of the James line of cases, given that the references to takings and eminent domain found in those decisions are dicta. Moreover, it seems very likely that the state action at issue in cases such as James, Palmer, and Krupp would have constituted takings even under the multifactor approach applied in Monsanto, assuming sufficient legislative authorization, because of both the economic impact of that action upon the patent owners and its effect upon their reasonable expectations. With regard to economic impact, it is noteworthy that the only potential domestic customer for the military and postal technology at issue in the three older cases was probably the United States government. The uncompensated use of this technology therefore may

184. See supra notes 95-100 and accompanying text.
185. See Krupp, 224 U.S. at 299 (stating that United States was engaged in manufacture of
well have threatened to deprive the patentees of virtually all of the value attributable to their patents, and if so this factor would weigh heavily in favor of those uses being characterized as takings under the multi factor approach. The effect upon the owners’ reasonable investment-backed expectations was also arguably more substantial in all three cases than in Monsanto. As discussed above, the Monsanto Court concluded that any disclosure or use, in accordance with the applicable statutory scheme, of trade secret information submitted to the government prior to October 22, 1972 or after September 30, 1978 would not have interfered with Monsanto’s reasonable investment-backed expectations, because Monsanto knew or should have known that submitting information to the government during those periods of time entailed a risk of such disclosure or use. In James and Palmer, by contrast, the Court correctly observed that, when the government issues a patent, it does not reserve the right to the uncompensated use of that patent without the consent of the patentee. Presumably, then, the uses engaged in by the government in those cases and in Krupp did interfere with the patentees’ reasonable expectations that no one, including the United States government, would use their technology without their consent.

The other possible interpretation would limit Monsanto to its facts, thus rejecting the proposition that the regulatory takings framework applies in all cases involving government uses of intellectual property and leaving open the possibility that many (perhaps most) uses that satisfy the other relevant criteria constitute takings. To justify this interpretation, however, requires some basis for concluding that the government’s use of intellectual property without the owner’s consent is more analogous to the imposition of an easement over real property than to the regulation of the use or enjoyment of real property; if the analogy holds, then arguably the government’s use of intellectual property, like the imposition of an easement, should generally be viewed as effecting a taking, no matter how

plaintiff’s patented field guns and gun carriages); Palmer, 128 U.S. at 262 (stating that case involved alleged use of “infantry equipments”); James, 104 U.S. at 359 (describing subject invention as “an implement or stamp for postmarking letters and canceling revenue and postage stamps”).

186. See supra notes 150-57 and accompanying text.

187. See Palmer, 128 U.S. at 270-71; James, 104 U.S. at 358.

188. But see De Graffenried v. United States, 29 Fed. Ct. 384, 387-88 (1993). In De Graffenried, the court suggested that, because the federal government now has an express right under 28 U.S.C. § 1498(a) to use patents, such use does not defeat a patentee’s reasonable expectations. See id. The same, however, could be said about real property, which is always held subject to the sovereign’s power of eminent domain.

189. Namely, that the state actors’ conduct is authorized by the legislature and that property is taken for a public use. See supra notes 49-52 and accompanying text.
minimally intrusive that use might be. Support for the analogy can be derived from the fact that when the government imposes an easement over real property, it deprives the owner of the right to exclude others from the property—a right which the Supreme Court has characterized as “so universally held to be a fundamental element of the property right [that it] falls within [the] category of interests that the Government cannot take without compensation.” It is precisely the same right of exclusion with which the government interferes when it uses one’s intellectual property without consent; and in some respects this right to exclude may be more fundamental in the context of intellectual property than it is in the context of real property. A patent, for example, does not confer upon its owner an affirmative right to make, use, or sell her patented invention, but rather only the negative right to exclude others from making, using, or selling it. Moreover, even when the intellectual property owner’s endowment carries with it an affirmative right of use, the fact that the owner may continue using the property herself, notwithstanding the government’s concurrent use, cannot mean that the latter use never effects a taking, any more than the real property owner’s ability to continue using his land notwithstanding the imposition of an easement thereon means that the government has not effected a taking of land. On this reasoning, the government’s imposition of a license to use intellectual property should be treated in the same manner as would its imposition of a license or easement over real property.

190. Cf. supra notes 54-55 and accompanying text (noting that, when the government physically occupies or authorizes the occupation of land, it effects a taking, even if the occupation is in the nature of an easement).


193. To paraphrase Monsanto, one might contend that the value of a patent, copyright, or trademark “lies in the competitive advantage it gives its owner over competitors.” Monsanto, 467 U.S. at 986, and that this advantage is diminished if others may use the property without compensation.

194. It also may be relevant that the Court of Claims Act line of cases discussed at supra notes 71-127 and accompanying text also frequently refers to 28 U.S.C. § 1498(a) and its predecessor statute as creating a compulsory licensing procedure. See, e.g., Krupp, 224 U.S. at 305; Motorola, Inc. v. United States, 729 F.2d 765, 768 (Fed. Cir. 1984) (citing Krupp, 224 U.S. at 290 and Irving Air Chute Co. v. United States, 93 F. Supp. 633, 635 (Ct. Cl. 1950)). These references to licenses might seem to suggest that the easement analogy is apt, inasmuch as, in the real property context, the only material difference between an easement and a license is that the latter is revocable at will. See RESTATEMENT (THIRD) OF PROPERTY: SERVITUDES § 2.2 cmt. h (Tentative Draft No. 1, 1989). The precedential value of these descriptions of § 1498(a) as a compulsory licensing provision, however, may be entitled to no greater weight than the same cases’ descriptions of all government uses as takings; as we have seen, the authoritativeness of these latter pronouncements is debatable. See supra notes 95-114 and accompanying text.
Like the first interpretation, the preceding argument would not necessarily require the overruling of prior case law, given that the property rights at issue in Monsanto—trade secrets—do not give rise to as broad a right of exclusion as do the patent rights at issue in James, Palmer, and Krupp. The owner of a trade secret has a right, among other things, to exclude one who has acquired the secret under circumstances giving rise to a duty of confidentiality from disclosing it to others; use or disclosure under other circumstances, however, does not necessarily impinge upon the owner’s rights.\(^{195}\) The government’s use or disclosure, in accordance with the applicable statutory criteria, of information Monsanto voluntarily submitted prior to 1972 or after 1978 therefore did not interfere with Monsanto’s right to exclude, precisely because Monsanto did not have a right to exclude the use or disclosure of information submitted under circumstances not giving rise to a duty of confidentiality.\(^{196}\) With regard to information submitted during the interim period from 1972 to 1978, however, which the government had acquired under an obligation of confidentiality, the Court in effect adopted a per se rule, concluding that any abrogation of Monsanto’s right to exclude others from access to this information would constitute a taking.\(^{197}\) In this regard, the result in Monsanto is entirely consistent with the dicta in James, Palmer, and Krupp suggesting that any legislatively-authorized interference with the right to exclude effects a taking.\(^{198}\)

Finally, one might argue that the typical regulatory takings analysis is simply inapposite to most legislatively-authorized government uses of intellectual property, because the reasons for developing a separate framework for regulatory takings generally do not apply in this context. Courts and commentators have suggested that not requiring compensation in most cases in which economic regulation decreases property values may be attributable largely to the presence of transaction costs: in other words, because all generally-applicable regulations confer benefits upon some persons and burdens upon others, requiring the government to compensate everyone whose property suffers a diminution in value attributable to regulation would in effect prevent the government from engaging in most regulatory activity.\(^{199}\) By contrast, when government action has the purpose


\(^{196}\) See Monsanto, 467 U.S. at 1005-14.

\(^{197}\) See id. at 1010-12.

\(^{198}\) See id. at 1011 (stating that “[t]he right to exclude others is generally ‘one of the most essential sticks in the bundle of rights that are commonly characterized as property,’ ” and that “[w]ith respect to a trade secret, the right to exclude others is central to the very definition of the property interest”) (quoting Kaiser Aetna v. United States, 444 U.S. 164, 176 (1979)).

\(^{199}\) See, e.g., Lucas v. South Carolina Coastal Council, 505 U.S. 1003, 1018 (1992) (stating that “the functional basis” for not requiring compensation is that “Government hardly could go
or effect of singling out specific property and "press[ing] [it] into some form of public service under the guise of mitigating serious public harm," the action cannot easily be justified as "simply ‘adjusting the benefits and burdens of economic life’ in a manner that secures an ‘average reciprocity of advantage’ to everyone concerned." State action that evidences such a purpose or effect is therefore viewed as effecting a taking. Affirmative uses of someone’s patent, trade secret, copyright, or trademark, however, seem much more similar to the sort of "singling out" that effects a taking in the land use context than to other types of regulation, thus suggesting that the Middle and Narrow Views are inapposite. Moreover, to the extent that the deference courts show to regulatory action is attributable in part to transaction cost problems, such deference would appear to be out of place in the present context. As we have seen, the federal government has had to compensate owners for federal uses of patents since the Court of Claims Act was amended for federal uses of patents since the Court of Claims Act was amended in 1910 and copyrights since 1960 without appearing to have suffered any intolerable administrative burden.

For these reasons, the second interpretation of the case law, upholding the continued validity of the James, Palmer, and Krupp dicta, seems somewhat more plausible than the first. There are, nevertheless, two substantial counterarguments to the proposition that all or most federal interferences with the right to exclude others from one’s intellectual property constitute takings. The first is based upon the nature of intellectual property as a nonrivalrous good, and the second upon the undesirability of further "propertizing" the law of intellectual property.

Turning first to the argument based upon the nonrivalrous nature of intellectual property, to refer to something as "nonrivalrous" means that another person can use it without simultaneously depriving anyone else of

on if to some extent values incident to property could not be diminished without paying for every such change in the general law," but that this rationale "does not apply to the relatively rare situations where the government has deprived a landowner of all economically beneficial uses") (quoting Pennsylvania Coal Co. v. Mahon, 260 U.S. 393, 415 (1922)); WILLIAM A. FISCHER, REGULATORY TAKINGS: LAW, ECONOMICS, AND POLITICS 2-3 (1995) (similar); J. Gregory Sidak & Daniel F. Spulber, Deregulatory Takings and Breach of the Regulatory Contract, 71 N.Y.U. L. REV. 851, 937 (1996) (arguing that it is efficient not to classify as takings regulation that results in "diffuse, de minimis diminutions in property values," but that this concern does not justify failure to compensate when diminution in value is large and concentrated among small number of entities).

200. Lucas, 505 U.S. at 1018 (citations omitted).
203. See supra note 113 and accompanying text.
204. See supra note 70.
Most types of intellectual property are strongly nonrivalrous. The government’s use of a patent, trade secret, or copyright, for example, does not prevent the intellectual property owner from simultaneously using the work (assuming that she has the right to use it in the first place), or from licensing others to use it; nor does the unauthorized use of a slogan or other trademark impede the owner from continuing to affix the mark to his products. All that the intellectual property owner loses, except in those rare circumstances in which government use destroys virtually all of the property’s value, is some licensing revenue. By contrast, the imposition of an easement upon real property invites the entire public to come onto the property and use it, thus depriving the landowner (at least temporarily) of the use and enjoyment of those portions that others are physically occupying at any point in time, and preventing him from using the property in any manner inconsistent with the public’s use and enjoyment. These facts strongly suggest that government uses of intellectual property are not functionally identical to the imposition of easements over real property, and (perhaps) that they should not be subject to the same categorical treatment as the latter.

205. As Professor Madow observes,

[i]ntellectual creations are susceptible to “nonrivalrous consumption,” in the sense that their possession or use by one person does not preclude others from possessing or using them as well. If Jones takes or borrows Smith’s umbrella, neither Smith nor anyone else can use it. But if Jones takes or borrows Smith’s dog-training trick, or his interior decorating style, or his Dan Quayle joke, that in no way precludes Smith or anyone else from using it. Second, intellectual creations are “nonexhaustible,” in that they can be used again and again without being used up. However many times Smith’s dog-training trick is used, it is still “there” to be used yet again. It is no less “valuable” to me because countless others have used it before.


206. See id.; see also Paul B. Thompson, Conceptions of Property and the Biotechnology Debate (Thinking of Biology), 45 BIOSCIENCE 275 (1995) (discussing nonrivalrous nature of ideas).

A few intellectual property rights may be at least somewhat rivalrous, however. As Professor Kwall has pointed out, for example, the value to a celebrity of the right to market her image under the right of publicity depends in part upon the exclusive nature of that right; too much exposure may dilute the value of her persona. See Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 IND. L.J. 47, 108 (1994). The same argument would apply to the right to protect one’s trademark from dilution.

207. Cf. Kwall, supra note 70, at 736 (stating that government uses that do not prevent copyright owners from continuing to obtain financial benefits from their works “may be more analogous to government regulations that diminish a property’s value” than to physical invasions).

208. Moreover, as we have seen, governmental interferences with personal property may be somewhat less likely to be construed as takings than are interferences with real property, even when the interference deprives the owner of virtually all of the value of the personal property. See Andrus
A second argument against the Expansive View is based upon the concern that recognizing government uses of intellectual property as takings further strengthens the view of intellectual property as "property," and that this ever-expanding "propertization" of intellectual property diserves the public interest. Some scholars have argued, for example, that as copyright rights continue to expand, the public loses out as the scope of defenses (such as fair use) shrink, and as a public domain, formerly enriched by short copyright terms, diminishes in significance. Similar arguments can be raised concerning the expansion of trademark rights and the right of publicity. On this view, if the use of takings rhetoric strengthens the perception of intellectual property as a strong form of property right—one that admits of few if any exceptions and that can be expanded but never scaled back—it can only hinder public access to intellectual works.

Although I largely share the concerns voiced by critics of the ever-

v. Allard, 444 U.S. 51, 52-55, 65-67 (1979). Although Andrus involved an alleged regulatory taking, not a physical occupation, the fact that the Court declined to find a taking even though the regulation may have rendered the property worthless to its owner may suggest that state action with regard to personal property is not subject to the same level of scrutiny as state action with regard to land. And while this result may be difficult to justify other than by reference to some metaphysical view of land as being more sacred than other forms of property, perhaps one lesson to be drawn from Monsanto is that the Supreme Court simply is not willing to subject interferences with personal or intangible property to the same degree of scrutiny as its does interferences with land.


212. See, e.g., Coombe, supra note 211, at 1876-77; Paul J. Heald, Filling Two Gaps in the Restatement (Third) of Unfair Competition: Mixed-Use Trademarks and the Problem with Vanna, 47 S.C.L. REV. 783, 803-09 (1996); Madow, supra note 205, at 135-47; but see Roberta Rosenthal Kwall, Fame, 73 IND. L.J. 1, 55-57 (1997) (arguing that this "position is unsupported by any hard evidence of societal harm"). The right of publicity is yet another unfair competition doctrine, under which "[o]ne who appropriates the commercial value of a person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade" can be subject to liability. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).
expanding scope of intellectual property rights, it is not entirely clear that these arguments should affect the resolution of the takings issue. Classifying intellectual property as one form of property, after all, does not necessarily mean that it must share all of the attributes of other forms of property. Nothing in the arguments set forth above, for example, suggests that there would be any constitutional infirmity in deciding (prospectively) to scale back the copyright term, to expand the fair use privilege, or to repeal antidilution laws. My argument is simply that, to the extent (if any)\textsuperscript{213} that the intellectual property rights the state chooses to recognize share the attributes of other, more traditional forms of property, the state may effect a taking of that property when it fails to respect the borders it has voluntarily created between “mine” and “yours.” And while there may be some risk that takings rhetoric might help to cloak intellectual property rights with a stronger, more absolute character than is desirable, this risk seems fairly remote in light of the fact that a taking will arise only when the government engages in conduct which, if engaged in by nonstate actors, would constitute an infringement.

In summary, while there are strong reasons for rejecting the Middle View, to the extent that it relies upon a blind adherence to the regulatory takings rubric, and the Narrow View, which appears to exclude far too many government uses from the scope of Fifth Amendment liability, the absence thus far of a significant body of case law attempting to negotiate among the various strands of the doctrine means that the only government uses one can be certain will qualify as takings are those few which deprive the owner of virtually all of the property’s value.\textsuperscript{214} Moreover, even if the Middle and Narrow Views are rejected, it remains unclear whether government uses of intellectual property should be viewed as resting upon precisely the same footing as governmental occupations of land. Equating these uses with physical invasions nevertheless is easier to justify than equating them with use and enjoyment regulation, and in the absence of some principled intermediate view this may be the better of two imperfect options.

IV. FURTHER CONSIDERATIONS

As noted above, three further requirements that must be satisfied in order for a state actor’s conduct to implicate the Fifth Amendment are (1) that the state interferes in some manner with “private property,” (2) that the interference be for public use, and (3) that the conduct be duly authorized.

\textsuperscript{213} See infra text accompanying notes 219, 223-29 (suggesting that, while patents, trade secrets, and copyrights share many of the attributes of more traditional forms of property, the position of trademarks is more tenuous).

\textsuperscript{214} See supra text accompanying notes 174-83.
by the appropriate legislative body. These three conditions further limit the types of governmental conduct for which the Constitution mandates just compensation.

A. Property

The first requirement, that the state deprive the claimant of a property interest, arguably poses only a minimal obstacle to the classification as takings of most government uses of patents, trade secrets, copyrights, and trademarks that would be considered infringing if carried out in the private sector. As we have seen, the Supreme Court in Monsanto specifically held that trade secrets are a form of property subject to the Takings Clause and strongly suggested that patents are as well in cases such as James, Palmer, and Krupp. Moreover, the factors the Court cited in Monsanto as reasons for concluding that trade secrets are property—including the fact that they are assignable and may form the res of a trust, as well as the Court’s prior characterization of other intangible interests such as liens and contract rights as property—apply with equal force to copyrights and, to a lesser extent, to trademarks.

215. See supra notes 49-52 and accompanying text.
218. Like trade secrets, copyrights are freely assignable, see 17 U.S.C. § 201(d) (1994), and may form the res of a trust, see, e.g., RESTATEMENT (SECOND) OF TRUSTS § 82, cmt. c (1959); AUSTIN W. SCOTT & WILLIAM F. FRATCHER, THE LAW OF TRUSTS § 82.3 (4th ed. 1987).
219. Trademarks are assignable, though only if the owner also transfers to the assignee the goodwill symbolized by the mark, see 15 U.S.C. § 1060 (1994); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 34 (1995). They may also be held in trust, see RESTATEMENT (SECOND) OF TRUSTS § 82 cmt. d (1959); SCOTT & FRATCHER, supra note 218, § 82.4. See also United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918) (stating that "[t]here is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed"); Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 413 (1916) (stating that trademarks are property "only in the sense that a man's right to the continued enjoyment of his trade reputation and the good-will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trade-mark is an instrumentality"); 1 MCCARTHY, supra note 18, §§ 2.14 to 2.15 (discussing property-like nature of trademarks); 2 MCCARTHY, supra, § 18.2 (discussing rule requiring transfer of goodwill), § 18.7 (discussing enforceability of security interests in trademarks).
Some types of intellectual property rights, however, are not as easily classifiable as property under these criteria. In the law of copyright, for example, the "moral rights" recognized by the Visual Artists Rights Act of 1990 are not assignable\(^\text{220}\) and (in the case of joint works) may be waived by one joint author on behalf of all other joint authors without the others' consent.\(^\text{221}\) Moral rights are also often viewed as protecting a personality interest analogous to reputation, rather than as creating a property entitlement.\(^\text{222}\)

Some of the rights recognized under the federal law of unfair competition are equally difficult to classify as property. Consider, for example, the tort of trademark dilution. On the one hand, dilution is assumed to injure the mark’s selling power or commercial magnetism,\(^\text{223}\) so if the mark is property perhaps the state that engages in dilution effects a taking of that property. The problem is that this logic threatens to turn any governmental infringement of a federally-protected right—here, the right to be free from dilution—into a taking of private property; and while the Supreme Court has at times recognized property interests in nontraditional forms of property such as government entitlements,\(^\text{224}\) it has never embraced the *reductio ad absurdum* of converting all federal rights into property interests.\(^\text{225}\)


\(^{221}\) See id.

\(^{222}\) This is clearly the view in Europe, at least, where the *droit moral* was first recognized. See, e.g., Thomas F. Cotter, *Pragmatism, Economics, and the Droit Moral*, 76 N.C.L. REV. 1, 6-15 (1997) (describing theory behind European moral rights law); see also 17 U.S.C. § 106A(a)(3) (accord right to prevent intentional distortion, mutilation, or other modification of qualifying work "which would be prejudicial to [artist's] honor or reputation"). Reputation, however, is not considered a property interest for purposes of the Due Process Clause of the Fourteenth Amendment, see Paul v. Davis, 424 U.S. 693, 712 (1976) (cited in College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 131 F.3d 353, 360 (3d Cir. 1997), *petition for cert. filed*, 67 U.S.L.W. 3084 (U.S. July 17, 1998)(No. 98-149)), and therefore presumably would not be so viewed for purposes of the Fifth Amendment either. See also Vázquez, supra note 169, at 1745 n.281 (arguing that meaning of "property" under Fifth Amendment is narrower than meaning under Due Process Clause).

\(^{223}\) See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 (1995); Bohanan & Cotter, supra note 23.


\(^{225}\) Cf. Vázquez, supra note 169, at 1747-48 (noting that, under Supreme "Court's current approach to this subject, whether a statute establishes a property right [for purposes of the Due Process Clause] turns on whether the statute places mandatory limits on a state's discretion to act towards the putative property holder") (citing Cleveland Bd. of Educ. v. Loudermill, 470 U.S. 332, 538-39 (1985)). Perhaps the limits imposed by the antidilution provisions of the Lanham Act upon one's freedom to act towards trademark owners are not sufficiently mandatory to justify property characterization under this approach. See 15 U.S.C. § 1125(c)(1) (stating that owner of famous mark "shall be entitled, subject to the principles of equity and upon such terms as the court deems
Perhaps, though, a principled distinction can be made between conduct by which the government infringes a trademark and conduct that only causes dilution of the mark. For one thing, the right to be free from dilution might be viewed as protecting a reputational interest\textsuperscript{226} and, as noted above, under current law reputation is probably not a protectable property interest for purposes of the Fifth Amendment.\textsuperscript{227} Moreover, when the government infringes a trademark, its conduct is more like a traditional taking in that the government has in effect appropriated to itself an interest that generally is obtainable on the open market—a trademark license.\textsuperscript{228} On the other hand, the interest in being free from dilution is not the type of interest in which a market normally exists: companies generally do not sell the right to blur or tarnish their marks, after all. When the government commits an act of trademark dilution, then, perhaps it is better viewed as simply committing a wrongful act, rather than as effecting a taking of property. The same logic would suggest that the court was correct when, in a recent case involving allegations of false advertising by a state governmental body, it held that the right to be free from false advertising, unlike a patent or copyright, is not cognizable as a property interest.\textsuperscript{229}

\textsuperscript{226} See, e.g., Allied Maintenance Corp. v. Allied Mechanical Trades, Inc., 369 N.E.2d 1162, 1165 (N.Y. 1977) (describing antidilution statute as protecting against “cancer-like growth of dissimilar products or services which feeds upon the business reputation of an established distinctive trade-mark or name”). Of course, the right to be free from trademark infringement also can be viewed to some extent as protecting a reputational interest, see RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. c (1995) (“The protection of trademarks thus encourages investment in quality and service by securing to the trademark owner the benefits of a favorable reputation.”), but the mark’s selling power or magnetism does not occupy as prominent a place in infringement actions as it does in dilution actions.

\textsuperscript{227} See supra note 222.


\textsuperscript{229} See College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd., 131 F.3d 353, 361 (3d Cir. 1997) (concluding that, “just because the state’s actions impact on a private business does not mean that” the right to be free from false advertising is a property interest),
B. Public Use

By contrast, the second requirement, that the taking be for public use, is unlikely to exclude many uses by government officials from the purview of the Takings Clause. Given the expansive definition of "public use" adopted in Monsanto—as being "coterminous with the scope of a sovereign's police powers,"230 such that a public use will be found as long as the taking has some "conceivable public character"231—it is difficult to imagine many uses by a state officer that potentially serve the minimal state interest necessary for them to be viewed as falling within the scope of his employment but which would not, at the same time, possess the "conceivable public character" necessary to be deemed "public."232 Relief from those infringements that do not bear any "conceivable public character," and that therefore do not implicate the Fifth Amendment, presumably could be obtained from the infringer personally or (possibly) from the government on a substantive due process theory.233

C. Authorization

The final qualification, that in order to implicate the Fifth Amendment the taking must be duly authorized by Congress, has been the subject of conflicting interpretations. As noted above, the Supreme Court has observed that the Fifth Amendment's prohibition of uncompensated takings "is directed against the Government, and not against individual or public officers proceeding without the authority of legislative enactment,"234 so that a deprivation not authorized "expressly or by necessary implication ... by some act of Congress, is not the act of the Government."235 As a coauthor and I have noted in a companion article, exactly how specific this authorization must be in order to implicate the Fifth Amendment is a matter of some uncertainty;236 a 1984 decision of the United States Court of Appeals for the District of Columbia Circuit, however, illustrates two different possible approaches. At issue in Ramirez

petition for cert. filed, 67 U.S.L.W. 3084 (U.S. July 17, 1998)(No. 98-149). Presumably the same would be true for the right to be free from product disparagement.

230. Monsanto 467 U.S. at 1014 (quoting Hawaii Housing Auth. v. Midkiff, 467 U.S. 229, 240 (1984)).
231. Id.
232. See Kwall, supra note 70, at 711-17 (noting expansive interpretation of public use requirement).
233. See Bohannan & Cotter, supra note 23.
235. Id. at 336.
236. See Bohannan & Cotter, supra note 23.
de Arellano v. Weinberger was the legality of an alleged Department of Defense military training facility on land which the plaintiffs owned in Honduras. The plaintiffs filed suit in federal district court against the Secretary of Defense and other officials, alleging that their operation of the training center violated the plaintiffs’ constitutional rights. Among the issues presented on appeal were whether the plaintiffs had stated a takings claim against the United States, and if so whether they should have filed a “claim against the United States founded . . . upon the Constitution” in the Court of Claims, pursuant to the Tucker Act.

Two different readings of the case law are suggested by the majority and dissenting opinions in Ramirez. In ruling that the plaintiffs were not relegated to their remedies under the Tucker Act, the majority articulated the following test:

[n]ot all illegal acts of government officials are considered unauthorized for the purpose of determining the government’s liability to pay compensation under the Tucker Act. The question in each case is whether the defendant’s actions are substantially in compliance with the powers granted to them by congressional statute or constitutional provision. Recovery under the Tucker Act has been permitted when a taking by an officer is the natural consequence of congressionally approved measures or the result of an exercise of discretion granted to an official for the implementation of a congressional statute.

In dissent, then-Judge Scalia endorsed the district court’s position that, if a taking occurs while a government official “is acting within the normal scope of his duties (a concept akin to, though not as liberal as, the ‘scope of employment’ test for application of the doctrine of respondeat superior in private law),” the claimant must pursue a takings claim in the Court of Claims, “unless Congress has expressed a positive intent to prevent the taking or to exclude governmental liability.” Under this analysis, the relevant question is whether the officials are generally authorized to engage

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238. See Ramirez, 745 F.2d at 1505.
239. See id.
242. Id. at 1523.
243. Ramirez, 724 F.2d at 151 (footnote omitted); see Ramirez, 745 F.2d at 1555 (Scalia, J., dissenting).
in the conduct at issue, with no specific limitation imposed by Congress.\textsuperscript{244} It should be clear that, under either approach, a good many uses of intellectual property by government officials may fall outside the purview of the Takings Clause. To illustrate, consider the recent decision in \textit{Freiman v. Lazur}, in which a federal district court held that the United States could be liable under 28 U.S.C. § 1498(b) when a federal employee allegedly infringed a copyright within the scope of his employment but in violation of federal procurement laws.\textsuperscript{245} If the same level of authorization is necessary to render the government liable for a taking of real property under the Tucker Act as for the use of a copyright under section 1498(b), then under the \textit{Ramirez} majority’s view that conduct is attributable to the government only if it is “the natural consequence of congressionally approved measures or the result of an exercise of discretion granted to an official for the implementation of a congressional statute,”\textsuperscript{246} the employee’s conduct in violation of federal procurement laws would not effect a taking of private property. The same result appears to hold true under Judge Scalia’s reading of the case law, under which the government is not responsible where Congress “has expressed a positive intent to prevent the taking or to exclude governmental liability,”\textsuperscript{247} in that the procurement laws would appear to be such an expression of intent. Cases of this nature, in other words, involving actions by federal employees contrary to government policy, would not give rise to takings liability, even if the use is such that it would effect a taking if duly authorized.\textsuperscript{248}

V. CONCLUSION

Referring back to the examples noted at the beginning of this article, there are strong, though not dispositive, reasons for concluding that the first example, involving the federal government’s use of a patented

\textsuperscript{244} See \textit{Ramirez}, 745 F.2d at 1555 (Scalia, J., dissenting).
\textsuperscript{245} 925 F. Supp. 14, 19 (D.D.C. 1996). Note that, under traditional tort law doctrine, an act committed by an employee is deemed within the scope of her employment, and is therefore attributable to her employer under the doctrine of respondeat superior, if her conduct was motivated in appreciable part to serve her employer’s interest. See \textit{RESTATMENT (SECOND) OF AGENCY} § 237 cmt. b (1959). This principle holds true even when the employee’s conduct is (1) contrary to the employer’s instructions, or (2) a tortious or criminal act. See \textit{id.} §§ 230, 231.
\textsuperscript{246} \textit{Ramirez}, 745 F.2d at 1523.
\textsuperscript{247} \textit{Id.} at 1555 (Scalia, J., dissenting).
\textsuperscript{248} The counterargument to the above analysis would be that, when a government employee acting within the scope of his employment uses a copyright or patent without consent of the owner, the federal government ratifies his conduct by virtue of 28 U.S.C. § 1498, thus transforming the tort into a lawful taking. \textit{See supra} notes 124–29 and accompanying text (discussing Crozier v. Fried. Krupp Aktiengesellschaft, 224 U.S. 290 (1912)). The issue would be whether § 1498 constitutes a ratification of \textit{all} such conduct on the part of the employee, or only of conduct that is not forbidden by federal law other than the patent and copyright laws.
invention, almost always constitutes a taking for which just compensation is due under the Fifth Amendment, as long as the use serves a minimal public purpose and is not contrary to legislative authorization. While this type of use, as well as analogous uses of copyrights, will also be compensable under 28 U.S.C. § 1498, on occasion it may be important, as in cases like De Graffenried, to be able to characterize them as takings as well.

There is also reason to conclude that, in the example based upon Monsanto, the Court would be correct in classifying only some of the government conduct at issue as takings. Rather than being read as standing for the proposition that most government uses of intellectual property do not qualify as takings, however, Monsanto is consistent with the view that most uses that would be infringements if committed by nonstate actors can be classified as takings, as long as all of the other takings elements are met.

The third example, involving the use by the federal government of a trademark, is the most difficult to resolve. Although a case can be made that, when the government commits an act of trademark infringement it effects a taking of a trademark license which should be remediable under the Tucker Act, an act of trademark dilution (as well as false advertising and product disparagement) arguably does not interfere with a protected property interest. Even if this reasoning is incorrect, however, characterizing an act of dilution as a taking may do little to protect the trademark owner’s interest, inasmuch as the standard remedy for takings is just compensation.\footnote{See Monsanto, 467 U.S. at 1016.} Given the inherent difficulty of measuring exactly how much an act of dilution diminishes the value of a trademark,\footnote{See supra note 43.} recognizing dilution as a taking of private property might in any event provide the trademark owner with little tangible protection.

\footnote{249. See Monsanto, 467 U.S. at 1016. 
250. See supra note 43.}