
JUSTIN TORRES*

The argument over whether patents are protected by the Fifth Amendment’s Takings Clause has largely been confined to policy grounds; that is, the arguments focus on whether patents should be protected by the Fifth Amendment. To the extent that these arguments reference the 1910 Patent Act, the statute that enables patentees to recover “reasonable and entire” compensation for infringement by the government (later codified as 28 U.S.C. § 1498), they conclude that the provision adds little to the argument. In Zoltek Corp. v. United States, the Court of Appeals for the Federal Circuit determined that the very existence of § 1498 indicates that there can be no Fifth Amendment claim for patent infringement, because an independent constitutional claim would render § 1498 superfluous. This Note argues that the Federal Circuit’s decision misreads its own and Supreme Court precedent and the history of § 1498. Before and after 1910, Congress and the Supreme Court never deviated from the position that patents are property protected by the Fifth Amendment. Furthermore, the Supreme Court and the Court of Claims (predecessor to the Federal Circuit) both applied the same legal rules to patent and real property takings prior to 1910. But the 1910 Patent Act was written before the re-interpretation of the Takings Clause as a self-executing provision. As enacted, it contains at its core a now-superseded understanding of the Fifth Amendment. This dynamic drove the Federal Circuit’s erroneous decision in Zoltek. The Note concludes with an alternative reading of § 1498 that saves it from superfluity while giving effect to its intent: to provide patentees just compensation for infringement by the government.

Under the Takings Clause,1 the government must pay just compensation when it takes private property. Does this guarantee extend to property in patents? Not according to the Court of Appeals for the Federal Circuit, which recently held in Zoltek Corp. v. United

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1. U.S. Const. amend. V (“[N]or shall private property be taken for public use, without just compensation.”).
States that patentees cannot state a claim for patent infringement by the federal government under the Fifth Amendment. Infringe-
ment by the government, the court concluded, is governed solely by
the terms and limitations of 28 U.S.C. § 1498, which allows paten-
tees to recover “reasonable and entire compensation” in the Court
of Federal Claims, and not by the Fifth Amendment.

This Note argues that the Federal Circuit’s decision in Zoltek
was wrong. The text and history of § 1498 and a considerable body
of case law all provide strong evidence that patents have always
been understood as property protected by the Fifth Amendment.
But this assertion raises a conundrum. As the Federal Circuit recog-
nized in Zoltek, if patent infringement by the government is a taking
that raises a cause of action under the Fifth Amendment, what is
the point of the cause of action created by § 1498? The conclusion
seems to render the statute superfluous.

To understand why this apparent problem is not an obstacle to
Fifth Amendment claims for patent takings, it is necessary to step
back from Zoltek and recover the legal and historical context in
which the 1910 Patent Act, predecessor to the modern § 1498, was
enacted. At the time the Act was written, almost all suits against the
government were barred by sovereign immunity, even suits to ob-
tain remedies clearly mandated by the Constitution, such as the
Fifth Amendment’s guarantee of just compensation. The Fifth
Amendment was not understood to create a cause of action for tak-

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2. See Zoltek Corp. v. United States, 442 F.3d 1345 (Fed. Cir. 2006), reh’g en

3. 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,
firn, 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.

4. See infra notes 114–16 and accompanying text.

counted in Part I of this Note, the establishment of the Court of Claims in 1855 was the first time Congress consented to suit on an ongoing basis for a broad class of claims. But the Supreme Court narrowly construed the waiver of sovereign immunity represented by the new court’s jurisdiction, barring Fifth Amendment claims for takings of real property or patents (which both courts repeatedly described as property protected by the Fifth Amendment). In Part II, this Note explains how Congress tried again to enlarge the jurisdiction of the Court of Claims with the Tucker Act, which by its phrasing suggested that Congress wanted the new court to hear constitutional cases such as takings claims. But in the key case of *Schillinger v. United States*, the Supreme Court challenged Congress: if the legislature wanted to create a cause of action for takings, the Court concluded, it had to do so explicitly, not through broad language in jurisdictional statutes.

In Part III, this Note recounts how in 1910 Congress took the Supreme Court at its word and in the Patent Act enacted a narrow waiver of sovereign immunity for patent takings, giving patent owners a Fifth Amendment cause of action that real property owners did not have. The legislative history of the Act clearly indicated Congress’s understanding that patents were protected by the Fifth Amendment, but it also reflects the holding of *Schillinger*: some additional, explicit consent to suit was required to give property owners a cause of action. The Act had an unintended consequence. By separating the remedies available to patent owners from those available to owners of other forms of property, the Act insulated patents from the later reinterpretation of the Fifth Amendment as a “self-executing” provision that creates a cause of action without need for an additional waiver of sovereign immunity. By shearing off patents from other forms of real property in 1910, Congress enshrined a now-superseded understanding of the Fifth Amendment at the core of § 1498, which is premised on the *Schillinger* holding that the gov-

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government needed to consent to suit—not for patent infringement, but for takings.

In Part IV, this Note argues that in response to that understanding, wired into the very DNA of § 1498, the Federal Circuit in *Zoltek* decided to “save” from superfluity a takings statute that does not conform with the modern understanding of the Fifth Amendment. The court did this by asserting that it is not a takings statute, despite strong evidence to the contrary. The Note concludes by suggesting that § 1498 is best construed as a jurisdictional statute, rather than as a waiver of sovereign immunity that creates a limited right to compensation for infringement.

Especially in light of the Supreme Court’s denial of certiorari in *Zoltek*, one might be justified in asking why any of this matters—beyond, of course, being an issue of tremendous importance to the rare plaintiff, like Zoltek, who might be able to recover under the Fifth Amendment but not under § 1498. The issue has strong implications for the “propertization” debate in intellectual property circles. Commentators have tended to focus on the normative

9. Zoltek’s petition for certiorari was filed on February 20, 2007. See Zoltek Corp. v. United States, No. 06-1115. The denial of Zoltek’s petition may have the practical effect of affirming the Federal Circuit, since the Federal Circuit has exclusive jurisdiction over § 1498 claims. See Zoltek Corp. v. United States, 442 F.3d 1345 (Fed. Cir. 2006), cert. denied, 127 S. Ct. 2936 (2007).

10. As discussed infra at Part IV, because the compensation for infringement available under § 1498 is identical to that which would be available under the Fifth Amendment, it had never mattered to any plaintiff, prior to Zoltek, whether infringement claims rested on statutory or constitutional grounds. But if *Zoltek* stands, there may be more such plaintiffs, since the holding essentially provides a roadmap to the government for how to infringe without Fifth Amendment or statutory consequences. Under the Federal Circuit’s reading of § 1498(c), a patentee’s statutory claim is barred if the government (or a government contractor) infringes a patent by engaging in even one of the steps of a patented process outside the United States. *Zoltek*, 442 F.3d at 1350. If Zoltek’s Fifth Amendment claim is also barred, then the government will be able to infringe any patented process by the simple expedient of engaging in one step outside the country, then importing the resulting product into the country for further refinement, and face liability under neither § 1498 nor the Fifth Amendment. The combined effect of these holdings, as the dissent noted, is “an invitation to strategic conduct if ever there was one.” Id. at 1382 (Plager, J., dissenting).

11. This debate has largely centered on whether intellectual property shares the characteristics of real property and whether providing it such status will shrink the public domain, stifling innovation and creativity. See, e.g., James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 Law & Contemp. Probs. 33 (2003) (arguing against propertization of intellectual property at the expense of the public domain); Michael A. Carrier, *Cabining Intellectual Property Through a Property Paradigm*, 54 Duke L.J. 1, 1 (2004) (arguing that propertization of intellectual property “is irreversible, sinking its tentacles further into public and
question of whether courts should recognize a strong property right in intangible property such as patents, while assuming that the Fifth Amendment status of such property is a question that courts and the Congress have not yet addressed. This Note suggests that the question is not as uncharted as commentators assume, and that both Congress and the Supreme Court have already answered it in the affirmative.

I.

BEFORE THE PATENT ACT: SEARCHING FOR A CAUSE OF ACTION.

When the Court of Claims was established in 1855, takings cases were largely terra nova to federal courts, because the Fifth Amendment, as with most constitutional provisions, was not construed to create a cause of action for the enforcement of rights against the federal government. Chief Justice Marshall noted the “universally received opinion . . . that no suit can be commenced or prosecuted against the United States; that the judiciary act does not authorize such suits.” Later, the Court flatly held that, “As the United States are not suable of common right, the party who insti-
tutes such suit must bring his case within the authority of some act of congress, or the court cannot exercise jurisdiction over it." The proposition was repeated several times throughout the nineteenth century. In most cases, citizens seeking compensation for tak-


The doctrine of sovereign immunity has somewhat ambiguous origins. Though derived from the common law precept that the king "can do no wrong," that rationale, Justice Stevens has noted, has been "thoroughly discredited." United States v. Nordic Village, Inc., 503 U.S. 30, 42 (1992) (Stevens, J., dissenting). Indeed, even the earliest articulations of the doctrine carry a whiff of serious judicial approbation. In one of the oldest important Supreme Court decisions, the Court held that the new Constitution made states liable to suits by private citizens for constitutional violations. See Chisholm v. Georgia, 2 U.S. (2 Dall.) 419 (1793). The ruling prompted an obvious question: Could the federal government be similarly sued? In the decision, two justices openly mused on the question, though they raised practical concerns:

As to reasons for citizens suing a different State, which do not hold equally good for suing the United States; one may be, that as controversies between a State and Citizens of another State, might have a tendency to involve both States in contest, and perhaps in war, a common umpire to decide such controversies, may have a tendency to prevent the mischief.

Id. at 469 (Opinion of Cushing, J.). Chief Justice Jay posited that, while the principles of justice suggest that the federal government should be liable to suit, in all cases of actions against States or individual citizens, the National Courts are supported in all their legal and constitutional proceedings and judgments, by the arm of the Executive power of the United States; but in cases of actions against the United States, there is no power which the Courts can call to their aid.

Id. at 478 (Opinion of Jay, C.J.). Stunned by the decision, Congress promptly ratified the Eleventh Amendment, barring suits against states. See U.S. Const. amend. XI. ("The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State."). Though the Amendment did not technically bear on the question of whether the federal government was liable to suit on constitutional grounds, the Court hastily backed away from any such suggestion. But, as if to signal its disapproval, the Court rarely gave the question more than cursory treatment. In modern times, the doctrine has been greatly cabined by explicit waivers of sovereign immunity such as the Tucker Act and the Federal Tort Claims Act, 60 Stat. 842 (1946) (codified at 28 U.S.C. §§ 1346(b), 2671–80 (2000)), as well as various provisions allowing for constitutional tort claims. But it continues to do some work in limiting a plaintiff’s access to remedies against the government. See, e.g., Lane v. Pena, 518 U.S. 187, 192 (1996) ("A waiver of the Federal Government’s sovereign immunity must be unequivocally expressed in statutory text. . . ."
ings—of both real and intangible property—had to petition Congress for relief through a private bill.\textsuperscript{18}

In creating the Court of Claims in 1855, Congress consented to suit on an ongoing basis, rather than referring specific claims to temporary commissions or special courts, as was its previous practice.\textsuperscript{19} Left unsettled was how broadly to construe the waiver of sovereign immunity that was coextensive with the new court’s jurisdiction. The new court was authorized to “hear and determine all claims [against the government] founded upon any law of Congress, or upon any contract, express or implied, with the government of the United States . . . .”\textsuperscript{20} The phrase “any law of Congress” hints at a wider range of cognizable suits than subsequent history suggests. But the Supreme Court moved quickly to limit the jurisdiction and powers of the new court.\textsuperscript{21} Later, it would deny the new court equitable powers, such as the power to order specific performance.\textsuperscript{22}

Moreover, a waiver of the Government’s sovereign immunity will be strictly construed, in terms of its scope, in favor of the sovereign.” (citations omitted).


19. \textit{Cowen et al., supra} note 18, at 4–12 (describing pre-Court of Claims commissions to deal with claims against the government).


21. \textit{See De Groot}, 72 U.S. (5 Wall.) at 431–32 (describing the jurisdiction of Court of Claims as “limited precisely to such cases, both in regard to parties and to the cause of action, as Congress has prescribed”). The Court was likely responding to limitations that Congress itself set on the Court of Claims. Its judgments were not considered final, but were reported to Congress to affirm or deny, and only then would Congress authorize the Treasury to make a payment. \textit{See Act of February 24, 1855, ch. 122, § 9, 10 Stat. 612 (1855)} (“[T]he claims reported upon adversely shall be placed upon the calendar when reported, and if the decision of said court shall be confirmed by Congress, said decision shall be conclusive . . . .”).

22. \textit{See, e.g.}, Bonner v. United States, 76 U.S. (9 Wall.) 156, 159 (1870) (holding that the Court of Claims lacked jurisdiction over equitable claims against the
And it would read the final clause of the statute to modify the entire grant of jurisdiction, curtailing the new court’s power to hear any but a narrow range of contractual claims.23

Takings plaintiffs fell outside this jurisdictional grant, but some takings plaintiffs would find relief in the Court of Claims by employing the legal fiction of suing on an implied contract. Under this theory, based on the ancient notion of “waiving the tort,”24 the government’s recognition that it was taking private property created an implied contract to pay just compensation that brought the claim within the jurisdiction of the Court of Claims.25 The approach was first articulated in a patent infringement case, Shreve v. United States.26 The government defended on the grounds that patent infringement was a tort not cognizable in the Court of Claims.27 The court rejected that argument, indicating its thinking on three crucial points: that a valid patent was no less a property interest than tangible property; that it is protected by the Fifth Amendment; and that the court could hear claims for just compensation for patent takings under an implied contract theory.28 The Supreme Court would later ratify the use of this doctrine in patent infringement cases in 1870.29

23. See Alire, 73 U.S. at 575–76 (“[A]lthough it is true that the subject-matter over which jurisdiction is conferred . . . would admit of a much more extended cognizance of cases . . . the limited power given . . . confines the subject-matter to cases [of] a moneyed demand as due from the government.”).

24. The doctrine is recognizable in the common law as early as the fourteenth century. See G. H. L. Fridman, Waiver of Tort, 18 MOD. L. REV. 1, 2–3 (1955). This legal fiction was “designed to deal with cases in which, at common law—or in equity—there is no other way for the plaintiff lawfully to recover what rightfully belongs to him.” Id. at 2.

25. See, e.g., Grant v. United States, 1 Ct. Cl. 41, 50 (1863) (“The legal duty to make compensation raises an implied promise to do so; and here is found the jurisdiction of this court to entertain this proceeding.”). Grant was the first real property takings case heard on an implied contract theory in the Court of Claims.


27. Id. at 255.

28. Id. (“[T]he party injured may waive the tort and sue in assumpsit on the implied contract for the use of his property, as well as if it were lands or chattels. Besides, if the patent is valid, the United States . . . have taken Mr. Shreve’s property for public use, and a promise to pay for it arises on the Constitution and makes a contract.”). The court ultimately rejected the claim because Shreve had abandoned his invention. Id. at 256.

29. Burns v. United States, 79 U.S. (12 Wall.) 246 (1871), aff’d 4 Ct. Cl. 113 (1868).
Though the theoretical basis for these claims was the government’s recognition that it was taking property protected by the Fifth Amendment, technically these were contractual—not constitutional—claims, and they left many plaintiffs uncompensated as the Court narrowed the doctrine’s applicability over time. Two decades after Shreve, the Supreme Court limited the use of the implied contract doctrine to cases in which an agreement to pay compensation could reasonably be implied, usually because the government affirmatively recognized a plaintiff’s title and admitted it was taking private property. If the government denied that the plaintiff had good title to the property or otherwise disputed ownership, the plaintiff’s claim was barred even if the plaintiff could present evidence of good title. Though it was to be “regretted” that Congress had failed to provide a mechanism for the relief of takings plaintiffs, the Court could not enlarge the jurisdiction of the Court of Claims to provide that relief. Not all—not even most—real property takings cases fit into the narrow crack in the doctrine of sovereign immunity that the Court of Claims had fashioned, nor did more than a handful of patent takings claims.

30. See, e.g., Langford v. United States, 101 U.S. 341, 344 (1880) (holding, in a case where plaintiff presented deed to land as evidence of ownership, that when government officials seize property that the government denies is private property, “[n]o implied contract to pay can arise”).

31. Id. at 343.

32. Id. at 345 (noting that the court’s jurisdiction had been enlarged by “changes in the general law . . . but the principle originally adopted, of limiting its general jurisdiction to cases of contract, remains”).

33. See, e.g., Tempel v. United States, 248 U.S. 121, 130 (1918) (in taking of real property, "mere fact that the government . . . denies title in the plaintiff, prevents the court from assuming jurisdiction of the controversy"); Hill v. United States, 149 U.S. 593, 599 (1893) (no taking of land when “the United States had [n]ever in any way acknowledged any right of property in the plaintiff as against the United States”); Castelo v. United States, 51 Ct. Cl. 221, 225 (1916) (no taking because no “distinct recognition by the defendants of title in the adverse party”); Fawcett v. United States, 25 Ct. Cl. 178 (1890) (no taking because no property right in plaintiff). But plaintiffs in real property takings cases did continue to find relief in the Court of Claims under the implied contract doctrine. See, e.g., United States v. Great Falls Mfg. Co., 112 U.S. 645 (1884) (taking of land and water rights), aff’d 16 Ct. Cl. 160 (1880); Monk v. United States, 56 Ct. Cl. 429 (1921) (taking of riparian right); Forbes v. United States, 52 Ct. Cl. 60 (1917) (taking of water right); Mills v. United States, 19 Ct. Cl. 79 (1884) (taking of land).

34. Patentees faced special difficulties in obtaining compensation because the government had a ready defense: it would simply deny that the patent was valid, or that it had infringed. Such an affirmative act was enough to preclude the court from assuming jurisdiction. See, e.g., Harley v. United States, 198 U.S. 229, 234 (1905) (no “coming together of minds” in patent infringement case); Russell & Livermore v. United States, 35 Ct. Cl. 154, 164 (1900) (“[T]he Government at no
II. TRY AND TRY AGAIN: THE TUCKER ACT AND SCHILLINGER.

In 1887, Congress tried again to expand the jurisdiction of the Court of Claims with the passage of the Tucker Act. The statute gave the court jurisdiction over

[all claims founded upon the Constitution of the United States or any law of Congress, except for pensions, or upon any regulation of an Executive Department, or upon any contract, expressed or implied, with the Government of the United States, or for damages, liquidated or unliquidated, in cases not sounding in tort . . . .] 

On its face, the Tucker Act seemed to broaden the jurisdiction of the Court of Claims considerably. Congress changed the general limitation on the court’s jurisdiction, from contracts specifically to cases “not sounding in tort” generally. It also made claims “founded upon the Constitution” justiciable in the court. Read together, these changes suggested that Congress wanted the court to be the forum for prosecution of all non-tort claims against the U.S. government. Further, the language about “claims founded upon the Constitution” suggested that the jurisdiction of the moment recognized any rights in plaintiffs against it, or any responsibility upon its part to them.”; Coston v. United States, 33 Ct. Cl. 438, 448 (1898) (no implied contract when government denied use of patented signal). Still, patentees would not be entirely without remedy in the Court of Claims if the court could find evidence that the government had recognized the patentee’s property right. See, e.g., United States v. Berdan Firearms Mfg. Co., 156 U.S. 562 (1895) (implied agreement to compensate for use of patented firearm), aff’g 26 Ct. Cl. 48 (1890); Bethlehem Steel Co. v. United States, 42 Ct. Cl. 365 (1907) (plaintiff stated cause of action for infringement of patent by government on implied contract theory); Brooks v. United States, 39 Ct. Cl. 494 (1904) (implied agreement to compensate for use of patented device).

35. Tucker Act, supra note 7, § 1. The Tucker Act also made the judgments of the court conclusive on all parties and provided for appeals to the Supreme Court. Id. at § 3.

36. See id. at § 1.

37. Id.

38. There is evidence that this is precisely what Congress intended. During the debate over the 1910 Patent Act, one argument employed in favor of its passage was that the Supreme Court had limited the scope of the Tucker Act in a way Congress never intended. See 45 CONG. REC. 8779, 8780 (1910) (statement of Rep. Dalzell) (“We all know, that in the framing of the law which gives jurisdiction to the Court of Claims there was no intent to preserve to the United States a right to infringe a patent by failing to provide in the law for a remedy for the infringement of that patent.”).

Court of Claims extended to hearing takings claims directly under the Fifth Amendment, without requiring a showing of some form of contractual liability to make claims cognizable.

But within a few years, it was clear that the Tucker Act “expanded the court’s jurisdiction less than . . . its text . . . suggested it would.” As in its earlier decisions limiting the jurisdiction of the Court of Claims, in Schillinger v. United States, the Supreme Court rejected an expansive reading of the lower court’s jurisdiction. Later, how to understand the Court’s holding in Schillinger would be the key fighting issue in Zoltek.

In 1870, John J. Schillinger was issued a patent for the “arrangement of tar paper or its equivalent between adjoining blocks of concrete, substantially as and for the purposes described,” useful in laying concrete pavement. The patent was reissued the next year but a portion of it was disclaimed as too broad in February, 1875.

Later that year, one of Schillinger’s assignees lost a bid on a government contract to lay concrete pavement near the U.S. Capitol. The winning contract included a description of the process to be used that was similar to Schillinger’s method and included language holding the government harmless in case of patent infringement, though it did not reference the Schillinger patent specifically. Schillinger and his assignees protested the contract and threatened suit. They eventually filed suit for patent infringement in the Court of Claims, losing in 1889.

On appeal, the Supreme Court began by reiterating the government’s sovereign immunity in clear and uncompromising terms:

The United States cannot be [sued] in their courts without their consent, and in granting such consent Congress has an absolute discretion to specify the cases and contingencies in which the liability of the Government is submitted to the courts for judicial determination. Beyond the letter of such consent, the courts may not go, no matter how beneficial they may deem or in fact might be their possession of a larger jurisdiction over the liabilities of the Government.

40. Cowen et al., supra note 18, at 40.
41. See supra notes 21–23, 30–34 and accompanying text.
42. 155 U.S. 163, 167–68 (1894).
43. Id. at 163.
44. Id. at 164.
45. Id.
46. Schillinger v. United States, 24 Ct. Cl. 278, 278 (1889).
47. Schillinger, 155 U.S. at 166.
The Court then reviewed the evolution of the jurisdiction of the Court of Claims, starting with the original 1855 statute through the Tucker Act. It then framed the issue of Schillinger: was the Tucker Act a waiver of sovereign immunity for claims “founded upon the Constitution,” such as takings, making them cognizable in the Court of Claims?

Unequivocally, the Court said no, since to hold otherwise would render the United States liable to suit in the Court of Claims for claims arising under “every other provision of the Constitution as well as to every law of Congress.” If Congress had intended to make takings claims cognizable, it would have avoided reproducing language in the Tucker Act that the Court had already construed as precluding constitutional claims. Surely, the Court stated, Congress did not intend, through the Tucker Act, to make the United States liable to suit for “every wrongful arrest and detention of an individual, or seizure of his property by an officer of the government . . . .”

To understand the 1910 Patent Act and, later, Zoltek, it is critical to understand precisely what the Supreme Court held in Schillinger and what it did not. At issue in the case was whether the phrase “founded upon the Constitution” in the Tucker Act created a cause of action for takings. The Court held that it did not. It never purported to decide whether patents were property protected by

48. Id. at 166–68.
49. Id. at 168 (“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 . . . creates a claim founded upon the Constitution of the United States and within the letter of the grant in the [Tucker Act] of the jurisdiction to the Court of Claims.”).
50. Id.
51. Id.
52. Id. Although the Court did refer to the harm Schillinger suffered as a “tort,” id. at 169, this characterization did not bear on whether patent infringement by the government was a tort per se, but rather what causes of action were available to the plaintiff. Since he could not state a claim for a taking, Schillinger’s only recourse was a tort claim against the contractor. See id. at 170 (comparing the contractor’s alleged use of the patent to the actions of the government, which “proceeded as though it were acting only in the management of its own property”). In his dissent, Justice Harlan took strong issue with the Court’s holding. Noting the apparent enlargement of the jurisdiction of the Court of Claims in the Tucker Act, he would have given the phrase “claims founded upon the Constitution” its plain meaning: “If the claim here made to be compensated for the use of a patented invention, is not founded upon the Constitution of the United States, it would be difficult to imagine one that would be of that character.” Id. at 179 (Harlan, J., dissenting).
53. See Tucker Act, supra note 7.
the Fifth Amendment; in fact, the Court had characterized patents as constitutional property several times prior to Schillinger, and let stand unchallenged the Court of Claims’s assertion that it was “admitted law . . . need[ing] no further discussion” that patents were protected by the Fifth Amendment.

The Court, instead, was deciding a separate question: how explicit did Congress have to be in consenting to suit for takings claims, and did the Tucker Act meet the Court’s requirement? The Court made it clear that it would not allow the Court of Claims, through the general language of the Tucker Act, to become a catchall forum for the adjudication of constitutional claims, including Fifth Amendment claims. If Congress wanted to consent to suit for takings, it had to do so explicitly. It could limit that consent in any way it saw fit, or preclude suits for takings entirely. But general or ambiguous waivers of sovereign immunity would not suffice. That the property at issue was a patent was irrelevant to the holding, which applied equally to real or intangible property. Schillinger was not about whether plaintiffs could bring patent

54. See generally Adam Mossoff, Patents as Constitutional Private Property: The Historical Protection of Patents Under the Takings Clause, 87 B.U. L. Rev. 689, 716–23 (2007) (discussing nineteenth-century Supreme Court cases characterizing patents as constitutional property). Mossoff argues that most contemporary commentators overlook a long line of nineteenth-century cases identifying patents as constitutional private property protected by the Fifth Amendment, pointing to cases such as United States v. Burns, 79 U.S. (12 Wall.) 246, 256 (1871) (affirming the judgment of the Court of Claims in favor of a patentee for an unauthorized governmental use of his invention); McClurg v. Kingsland, 42 U.S. (1 How.) 202, 206 (1843) (holding that Congress could not retroactively limit property rights secured by then-existing patent statutes); McKeev v. United States, 14 Ct. Cl. 396, 421 (1878) (noting that patents were property protected by the Fifth Amendment); and Campbell v. James, 4 F. Cas. 1168, 1172 (C.C.S.D.N.Y. 1879) (No. 2361) (rejecting the defense of sovereign immunity in a patent infringement case and holding that “like all other private property recognized by law, [patents are] exempt from being taken for public use without just compensation, by the supreme law of the land”), rev’d on other grounds, 104 U.S. 356 (1882). He concludes that the nineteenth-century understanding that patents are constitutional property has been obscured by the legal realists’ early-twentieth-century re-conceptualization of property.

55. Schillinger v. United States, 24 Ct. Cl. 278, 296 (1889).

56. See, e.g., Castelo v. United States, 51 Ct. Cl. 221, 226 (1916) (citing to Schillinger, 155 U.S. at 63–70, in a real property takings case as illustrating “[t]he necessary incidents from which the court may imply a contract to pay for [a] taking”); Tompkins v. United States, 45 Ct. Cl. 66, 73 (1910) (citing Schillinger in another real property takings case for the “proposition that if the United States takes private property, and its officers in so doing admit that they are taking private property, an implied contract arises to pay the owner its value. . . . This claim is based upon the fifth amendment”).
infringement claims under the Fifth Amendment; it was about whether the Court of Claims could hear Fifth Amendment claims at all.

III.
THE 1910 PATENT ACT: HISTORY AND PRECEDENTS.

Congress was rankled by the way Schillinger limited relief for property owners, and in 1910 it passed “An act to provide additional protection for owners of patents of the United States, and for other purposes” providing,

That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims . . . .

Here, finally, Congress was explicit in creating a cause of action for patent infringement by the federal government. More importantly, the legislative history of the 1910 Patent Act indicates that Congress believed that the Fifth Amendment protected patents and that patent infringement by the government was an exercise of eminent domain. From its opening paragraphs, the House Report that accompanied the bill described patent infringement by the government as a Fifth Amendment taking: “When the United States issues a patent to an inventor he takes an absolute and exclusive property right in that invention, which, under the Constitution, can no more be taken away from him without compensation than his house.”

The Report went on to reference a number of well-known cases that noted that the Fifth Amendment protected patents. In the House debate, members repeatedly described the

60. See id. at 1–2. Among the cases cited in the House Report are United States v. Palmer, 128 U.S. 262, 270 (1888) (“It was at one time somewhat doubted whether the government might not be entitled to the use and benefit of every patented invention . . . . But that notion no longer exists.”); James v. Campbell, 104 U.S. 357–58 (1882) (“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 pri-
remedy at issue in terms of providing just compensation for a taking, such as Representative Crumpacker’s statement that “the Constitution declares that there shall be property in inventions, and the Supreme Court . . . has held that they are as much property as any other species of property can be, and that property cannot be taken without due process of law or without just compensation.”

The Supreme Court affirmed this reading of the 1910 Patent Act just two years later. In *Crozier v. Fried. Krupp Aktiengesell-Schaft*, a German company sued the U.S. Army Chief of Ordnance in federal district court for infringing several weapons patents. Fried. Krupp demanded compensation and an injunction to prohibit future use of its patent. Crozier argued that the court had no jurisdiction to hear a case that was actually against the United States, and the district court agreed. The Supreme Court found that the 1910 Patent Act mooted the dispute. “[T]here is no room for doubt [that the Act] makes full and adequate provision for the exercise of the power of eminent domain.” Fried. Krupp could not enjoin the government from taking its patent, but was free to go to the appropriate forum, the Court of Claims, to demand just compensation.

Yet the 1910 Patent Act did not set aside the Court’s ruling in *Schillinger*. Indeed, the legislature was in accord with the Court’s conclusion that Congress had to consent before patentees—or any private purchaser, we have no doubt.”); *Cammeyer v. Newton*, 94 U.S. 225, 235 (1877) (“[T]he government cannot, after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor or making him compensation.”).

61. 45 CONG. REC. 8756 (1910) (statement of Rep. Crumpacker); see also id. at 8771 (statement of Rep. Lenroot) (“[A patent] is a property right, and the government has no more right to take that invention from the inventor and use it for itself than it has to go and appropriate the home of any member of this House, and when it does it ought to be compelled to compensate him for it.”). The fairness rationale that underlies the Fifth Amendment was also referenced repeatedly. See, e.g., id. at 8758 (statement of Rep. Graham) (“It is a bill to require the United States Government to live up to the eighth commandment, ‘Thou shalt not steal.’ What right have they to steal a man’s patent?”); id. at 8783 (statement of Rep. Burke) (“[Nothing] justifies this great Government in leading in a practice of piracy in patents, in invading the rights and despoiling the property of genius.”).

63. Id. at 299–300.
64. Id. at 300.
65. Id. at 307.
66. Id. at 309 (“[T]he decree of the Court of Appeals must be reversed . . . without prejudice, however, to the right of the defendant here, who was the complainant below, to proceed in the Court of Claims in accordance with the provisions of the Act of 1910.”).
property owners—could bring suit under the Fifth Amendment.\footnote{67. See, e.g., 45 Cong. Rec. 8756 (1910) (statement of Rep. Crumpacker) ("[The 1910 Patent Act] simply gives consent of the Government to these parties to sue in the Court of Claims for this class of liabilities that it would be liable to suit for if it were not for its sovereignty."). Crumpacker’s statement set off a revealing exchange between the bill’s chief supporter, Representative Currier, and a leading opponent:

Mr. CURRIER: [The Act] does not create any liability, it simply gives a remedy upon an existing liability.

Mr. MANN: There is no existing liability. It makes a liability.

Mr. CURRIER: It simply provides a remedy.

Mr. MANN: That is not what the bill says. It says they may recover reasonable compensation. It is not a bill to confer upon the Court of Claims to determine whether to entertain jurisdiction over an existing liability, but it is to declare by law that they shall have just compensation.

Mr. CURRIER: May I say to the gentleman that the Government has no more right to appropriate a patent than an individual. The liability exists. The government has not consented to be sued on that liability, and this bill gives that consent.

Id. (emphasis added).}

\footnote{68. See H.R. Rep. No. 61-1288, at 2 (1910) ("The United States can not be sued except where it has consented thereto by statute, and unless this or some similar bill shall be passed the owners of patents will continue to be the only persons who are outside the protection of the fifth amendment . . . ").}

\footnote{69. See, e.g., 45 Cong. Rec. 8756 (1910) (statement of Rep. Clark) ("I want to know why these patentees should be given a right that none of the rest of us have. . . Suppose the Government takes my horse, I can not go down to the Court of Claims and sue for it"); id. (statement of Rep. Goldfogle) ("Why should a patente be regarded as a member of favored class?"). Representative Goldfogle wanted to prepare legislation giving the Court of Claims jurisdiction to hear all takings claims—a tantalizing “what-if?” See id. at 8767 (statement of Rep. Goldfogle) ("Why not, instead of passing the bill now reported . . . pass a bill which will give claimants generally the right to present their claims? . . . Then you will have no favored class. Then you will have no citizens knocking at your door and saying, ’You preferred the patentees and their claims . . . ‘"). Supporters of the bill justified this differential treatment of patentees versus real property owners on the grounds that though both types of property owners were subject to the same legal rules, as a practical matter patentees faced a higher bar because the government could much more easily defend a patentee’s suit by simply denying that the patent was valid. See id. at 8769 (statement of Rep. Currier) (noting the difficulties faced by patentees in the Court of Claims, as compared to real property owners); see also supra note 33 and accompanying text.}
ment mandating just compensation, property owners have no claim for a taking unless Congress gives its additional, explicit consent to suit under the Fifth Amendment.

This rationale collapsed just twenty-three years after Schillinger. In Jacobs v. United States, landowners sued under the Tucker Act on an implied contract theory for overflow onto their property caused by a federal dam. 70 Plaintiffs were awarded compensation and interest from the time of the overflow. 71 On appeal, the Supreme Court overturned the award of interest because Congress had not authorized the payment of interest on judgments in the Court of Claims. 72 The Court summarily rejected the argument that takings plaintiffs had to plead some form of contractual liability for their claim to be cognizable under the Tucker Act:

The suits were based on the right to recover just compensation for property taken by the United States for public use in the exercise of its power of eminent domain. That right was guaranteed by the Constitution. The fact that condemnation proceedings were not instituted and that the right was asserted in suits by the owners did not change the essential nature of the claim. The form of the remedy did not qualify the right. It rested upon the Fifth Amendment. Statutory recognition was not necessary. A promise to pay was not necessary. 73

But the Court went further, seeming to repudiate the fundamental holding of Schillinger, that the Tucker Act is not a waiver of sovereign immunity for takings claims: “The suits were thus founded upon the Constitution of the United States.” 74 The Court would be explicit thirteen years later in United States v. Causby. 75 The case involved the taking of an avigation easement over a farm, where the noise and disturbance of constant overflights caused chickens to hurl themselves against the walls of their coop. 76 The owners brought suit under the Tucker Act in the Court of Claims. The court responded, “We need not decide whether repeated trespasses might give rise to an implied contract. If there is a taking,

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70. 290 U.S. 13, 15 (1933).
71. Id. at 15–16.
72. Id. at 16 (citing United States v. Jacobs, 63 F.2d 326 (5th Cir. 1933)). Congress barred the payment of interest on judgments in the Court of Claims unless such interest was authorized by contract or statute. See Act of March 3, 1911, 36 Stat. 1087, 1141 (1911).
73. Jacobs, 290 U.S. at 16.
74. Id.
75. 328 U.S. 256 (1946).
76. Id. at 259.
the claim is ‘founded upon the Constitution’ and within the jurisdiction of the Court of Claims to hear and determine.”

Taken together, Jacobs and Causby represented a sea change in the way the Court construed the Fifth Amendment, and they gutted the central holding of Schillinger. Property owners no longer had to find some element of contractual liability in a taking and could bring suit directly under the Tucker Act as a claim “founded upon the Constitution.” But that was not all. After Jacobs, the Fifth Amendment came to be understood as a “self-executing” provision containing in itself a cause of action that accrues at the time a plaintiff suffers the injury. There was no need for an additional consent to suit for the claim to be cognizable; the Fifth Amendment itself waives the government’s sovereign immunity to suits for just compensation.

77. Id. at 267 (citation omitted).
79. This understanding, of course, required a refinement in judicial understanding of the Tucker Act, which is now construed as a jurisdictional statute that creates no substantive right of recovery. See, e.g., United States v. Testan, 424 U.S. 392, 398 (1976) (“The Tucker Act, of course, is itself only a jurisdictional statute; it does not create any substantive right enforceable against the United States for money damages.”). Thus, the Fifth Amendment waives sovereign immunity for suits for just compensation, while the Tucker Act provides jurisdiction to the Court of Claims—as opposed to some other court—to hear them.
80. The Supreme Court has rejected post-Jacobs efforts by the government to reanimate the Schillinger-era understanding of the Fifth Amendment:
The Solicitor General urges that the prohibitory nature of the Fifth Amendment, combined with principles of sovereign immunity, establishes that the Amendment itself is only a limitation on the power of the Government to act, not a remedial provision. The cases cited in the text, we think, refute the argument of the United States that “the Constitution does not, of its own force, furnish a basis for a court to award money damages against the government.” . . . [I]t is the Constitution that dictates the remedy for . . . a taking. First English Evangelical Lutheran Church of Glendale v. Los Angeles County, 482 U.S. 304, 316 n.9 (1987) (citations omitted). In one of the more remarkable passages in Zoltek, Judge Gajarsa, in his concurrence, attempts to revive this pre-Jacobs understanding of the Fifth Amendment and suggests that Zoltek should apply to Congress for relief through a special bill:
In fact, there is no Fifth Amendment requirement that § 1498 exist at all; it is the responsibility of Congress, and of Congress alone to decide whether, and to what extent, it will permit the courts to help it fulfill its constitutional obligations under the Takings Clause. . . . It is not our place to interpret sovereign immunity waivers with an eye toward their Takings Clause sufficiency vel non, because the Constitution does not require Congress to create remedies in the courts at all. . . . [W]ithout such a provision, compensation would need to be obtained through legislative action.
Although Jacobs and Causby radically changed the way plaintiffs brought suit under the Tucker Act for real property takings, the new understanding of the Fifth Amendment articulated in those cases was never applied to patent infringement cases under § 1498, even though previously the two types of takings had always been governed by the same fundamental rules. Instead, claims under § 1498 remained mired in a Schillinger-era approach to the Fifth Amendment: some additional waiver of sovereign immunity was needed for patent infringement claims, or any takings claim, to be cognizable in the Court of Claims. Post-Crozier cases interpreting § 1498 would reflect this understanding by characterizing the provision as one that encompassed a Fifth Amendment remedy and a waiver of sovereign immunity. References to patent infringement by the federal government as an exercise of eminent domain, and the remedy available to patentees under § 1498 as a Fifth Amendment remedy, were frequent. The Court of Claims later limited the damages available for patent infringement under § 1498 to the same kind of damages available under the Fifth Amendment for a real property taking, rejecting a “tort-like” reading of the provision that permitted treble damages for bad-faith infringement.

Zoltek Corp. v. United States, 442 F.3d 1345, 1367 (Fed Cir. 2006) (Gajarsa, J., concurring) (footnote omitted).

81. See, e.g., William Cramp & Sons Ship & Engine Bldg. Co. v. Int’l Curtis Marine Turbine Co., 246 U.S. 28, 42 (1918) (“[The Patent Act] embraces the exceptional case where . . . the authority of the United States is exerted to take patent rights under eminent domain . . . .”); Motorola, Inc. v. United States, 729 F.2d 765, 768 n.3 (Fed. Cir. 1984) (differentiating “where the patent statutes [applicable to private parties] are inapplicable in an eminent domain context” under § 1498); Leesona Corp. v. United States, 599 F.2d 958, 966 (Ct. Cl. 1979) (“[The Patent Act is] an Act to authorize the eminent domain taking of a patent license.”); Pitcairn v. United States, 547 F.2d 1106, 1114 (Ct. Cl. 1976) (“[Patent infringement] is a taking of property by the Government under its power of eminent domain.”); Calhoun v. United States, 453 F.2d 1385, 1391 (Ct. Cl. 1972) (“[T]he patentee obtains his Fifth Amendment just compensation for [a] taking through his action here under § 1498.”); Irving Air Chute Co. v. United States, 93 F. Supp. 633, 635 (Ct. Cl. 1950) (“Section 1498 is in effect, an eminent domain statute, which entitles the Government to manufacture or use a patented article becoming liable to pay compensation to the owner of the patent.”); Wright v. United States, 53 Fed. Cl. 466, 469 (2002) (“Compensation is premised on a Fifth Amendment taking of a nonexclusive license under the patent.”). It is interesting that in Irving Air Chute, it was the government arguing that § 1498 was founded on a Fifth Amendment theory—the opposite of the government’s argument in Zoltek. Irving Air Chute Co., 53 Fed. Cl. at 469.

82. See Leesona, 599 F.2d at 966 (“The fundamental error of the trial judge is that he . . . has converted § 1498 to a consent to suit on a tort theory, and the treatment of the United States as a tort-feasor. The trial judge brands the conduct of the United States as ‘despicable,’ for doing what it had a legal right to do, says it
tioners have long understood § 1498 to be an eminent domain statute. And in 1996, just a decade prior to Zoltek, the Federal Circuit all but held that patent infringement by the government was a taking.

Despite this frequent characterization, sometimes the Court of Claims and Federal Circuit hedged their descriptions of patent infringement by the federal government, calling § 1498 “essentially” an act of eminent domain. Both courts occasionally discussed § 1498 as a waiver of sovereign immunity for patent infringement, the remedy for which was strictly limited by Congress’ consent to suit. This claim conflicts with the modern understanding of the Fifth Amendment as a self-executing provision that creates a cause of action for a taking. But it reflects perfectly the Schillinger Court’s understanding of the Fifth Amendment.

acted in bad faith, and assesses damages under rarely used punitive provisions for the mulcting of private parties who infringe patent rights in entire bad faith.”).


84. See Hughes Aircraft Co. v. United States, 86 F.3d 1566, 1571 (Fed. Cir. 1996), vacated on other grounds, 520 U.S. 1183 (1997) (“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 and the patent-holder’s remedy for such use is prescribed by 28 U.S.C. § 1498(a).”).

85. See, e.g., Leesona, 559 F.2d at 966 (“essentially an Act to authorize the eminent domain taking of a patent license”); Tektronix, Inc. v. United States, 552 F.2d 343, 346 (Cl. Ct. 1977) (“premised on a theory of an eminent domain taking”); Calhoun, 453 F.2d at 1391 (“ipsa facto takes by eminent domain”); Irving Air Chute Co., 93 F. Supp. at 635 (“in effect, an eminent domain statute”); Wright, 53 Fed Cl. at 469 (“premised on a Fifth Amendment taking”).

86. See, e.g., Decca Ltd. v. United States, 640 F.2d 1156, 1167 (Cl. Ct. 1980) (“Because section 1498 is an eminent domain statute, the Government has consented thereunder only to be sued for its taking of a patent license. Expressed differently, section 1498 is a waiver of sovereign immunity only with respect to a direct governmental infringement of a patent.”); Strategical Demolition Torpedo Co. v. United States, 96 F. Supp. 315, 316 (Cl. Ct. 1951) (“Whether the Act of 1910 created a right, or only waived an immunity, the terms on which Congress was willing that the United States should be sued must be complied with.”).
After Crozier, departures from characterization of patent infringement by the government as an exercise of eminent domain have been rare. In De Graffenried v. United States, a judge on the Court of Federal Claims argued that every patent includes an implied compulsory license allowing the government to use the patent without compensation. This theory has found few takers. De Graffenried has been cited only once for the relevant proposition, and at least once for what amounts to the opposite proposition—that infringement by the government is an exercise of eminent domain, requiring just compensation. Indeed, the reasoning in De Graffenried is strikingly thin. The precise issue was whether prevailing parties in § 1498 cases could receive attorneys’ fees under the fee-shifting Equal Access to Justice Act, and the relevant portion of the opinion does not cite even a single case that supports its view that patents include an implied license to the government to use a patented invention or process. De Graffenried also rather conspicuously ignores the language of the statutory provisions that set the metes and bounds of patent rights and define infringement, neither of which contains even a hint that such an implied license to the government is part and parcel of a patent. The Federal Circuit notably has never adopted the reasoning in De Graffenried. The Federal Circuit did not cite the case at all in Zoltek—an espe-

88. See id. at 387–88 (“[T]he government does not have to resort to exercising its sovereign power of eminent domain to utilize a patent owner’s patented invention because the statutory framework that defines a patent owner’s property rights gives the government the authority to use all patented inventions. Thus, the government cannot ‘take’ what it already possesses.”); see also Daniel R. Cahoy, Treating the Legal Side Effects of Cipro®: A Reevaluation of Compensation Rules for Government Takings of Patent Rights, 40 Am. Bus. L.J. 125, 146–51 (2002) (characterizing this view as the “established statutory authority” theory of government appropriation).
89. See Brunswick Corp. v. United States, 36 Fed. Cl. 204, 207 (1994).
90. See Dow Chem. Co. v. United States, 32 Fed. Cl. 11, 19 (1994) (citing De Graffenried for the proposition that “the government’s use of [a] patented process ‘without license or lawful right’ constitutes an eminent domain taking of a license under the Fifth Amendment requiring just compensation.”).
92. See 35 U.S.C § 154(a)(1) (2000) (vesting in a valid patent-holder “the right to exclude others from making, using, offering for sale, or selling the [patented] invention throughout the United States or importing the invention into the United States,” or in the case of patented process, from doing the same with products made from that process, for a period of twenty years after filing); 35 U.S.C. § 271(a) (2000) (defining infringement as “mak[ing], us[ing], offer[ing] to sell, or sell[ing] any patented invention, within the United States, or import[ing] into the United States any patented invention” during the period of exclusivity).
cially telling omission, considering that the Zoltek trial judge devoted a substantial portion of his opinion to analyzing and rejecting De Graffenreid.93

Why, in the decades since Jacobs and Causby, has the rationale of those cases—that the Fifth Amendment is “self-executing” and that the Court of Claims and its successor court has Tucker Act jurisdiction over takings claims—never been applied to patent takings? The above review of the case history suggests an answer. When Congress enacted the 1910 Patent Act in the face of repeated Supreme Court holdings that the Court of Claims did not have jurisdiction over takings claims, it inadvertently separated patent infringement from the main body of takings law. This insulated patent infringement law, governed by §§ 1498, from developments in real property takings cases governed by the Fifth Amendment and the Tucker Act.

It is dangerous, of course, to speculate as to what might have happened. But given the body of nineteenth century Supreme Court precedent identifying patents as property for purposes of the Fifth Amendment, and Congress’s strong concurrence with that conclusion in the legislative history of the 1910 Act, it seems likely that had Congress not enacted the Patent Act, the Court would have eventually extended the holding of Jacobs and Causby to patents. Since the damages available to plaintiffs under §§ 1498 are identical to those available under the Fifth Amendment, no plaintiff, until Zoltek, had pleaded a Fifth Amendment taking of a patent, and no court had the opportunity to reunite these two divergent bodies of law. Ironically, then, the provision that Congress enacted to provide patentees with “additional protection” has, in the long run, kept them from enjoying the full protections of the Fifth Amendment.

IV.
ZOLTEK AND THE FUTURE OF § 1498.

In Zoltek, for the first time in a century, it did matter to a patent-holder whether patents are protected by the Fifth Amendment, because Zoltek could not recover under § 1498 but might have under the Takings Clause. Zoltek filed suit in the Court of Federal Claims claiming that the government, while building the F-22

93. Zoltek Corp. v. United States, 58 Fed. Cl. 688, 697–700 (2003). Other commentators have also dismissed the reasoning in De Graffenried. See, e.g., Lavenue, supra note 83, at 505–06 (arguing that the De Graffenried court’s conclusion as to the Fifth Amendment status of patents “cannot be the law”).
fighter jet, infringed its patent for “certain methods of manufacturing carbon fiber sheets with controlled surface electrical resistivity.”\footnote{Zoltek Corp. v. United States, 442 F.3d 1345, 1347 (Fed Cir. 2006).} The method was allegedly used to produce silicide fiber products, manufactured in Japan and then imported into the United States for further processing.\footnote{Id. at 1349 (citing Zoltek, 58 Fed. Cl. at 690).} On a motion for summary judgment, the government argued that the claim failed under § 1498(c), which bars claims “arising in a foreign country.”\footnote{Zoltek, 442 F.3d at 1349; see also supra note 3.} The trial court agreed, but directed Zoltek to amend its complaint to state a claim under the Takings Clause.\footnote{Zoltek, 58 Fed. Cl. at 690–91, 695–706. Zoltek did not originally bring a Fifth Amendment claim. In fact, the issue was never raised in the Court of Federal Claims until the trial judge, after raising the issue himself in oral argument, directed both parties to submit supplemental briefing. See Zoltek Corp. v. United States, 51 Fed. Cl. 829, 839 (2002). Zoltek was, apparently, ill-prepared for the trial court’s sudden interjection of a potential constitutional claim into the case. Even after the supplemental briefing was received, the trial judge noted, with some irritation, plaintiff counsel’s inability to “tell the court what type of taking,” either a regulatory taking or physical invasion, had occurred. Zoltek, 58 Fed. Cl. at 706.}

On interlocutory appeal, a fractured Federal Circuit panel\footnote{This two-to-one case occasioned a per curiam opinion, two concurring opinions, and a dissent. See supra note 80 for a discussion of Judge Gajarsa’s discussion of the takings issue, and infra note 116 for a discussion of Judge Plager’s dissent. Judge Dyk’s concurrence argued that no infringement had taken place, regardless of whether the suit was barred by § 1498(c). Zoltek, 442 F.3d at 1367–70 (Dyk, J., concurring). It is perhaps notable that in their concurrences, both Judge Dyk and Judge Gajarsa took issue with significant elements of the per curiam opinion they presumably co-authored.} began—as in \textit{Schillinger}\footnote{See supra note 47 and accompanying text.}—by discussing the federal government’s sovereign immunity to suit.\footnote{The federal government is immune from any legal action by its sovereign immunity. The waiver of immunity can be limited and conditioned by the Congress. A patentee’s judicial recourse against the federal government, or its contractors, for patent infringement, is set forth and limited by the terms of 28 U.S.C. § 1498.”} It then turned to the Fifth Amendment claim, arguing that in \textit{Schillinger} “the Supreme Court rejected an argument that a patentee could sue the government for patent infringement as a Fifth Amendment taking under the Tucker Act.”\footnote{Id.} The panel said \textit{Crozier} and later cases interpreting the 1910 Patent Act “acknowledged Congressional recognition that the Court of Claims lacked Tucker Act jurisdiction over infringement under a takings theory.”\footnote{Id. at 1351.} And the legislative history of the Act

\footnote{94. Zoltek Corp. v. United States, 442 F.3d 1345, 1347 (Fed Cir. 2006).
95. Id. at 1349 (citing Zoltek, 58 Fed. Cl. at 690).
96. Zoltek, 442 F.3d at 1349; see also supra note 3.
97. Zoltek, 58 Fed. Cl. at 690–91, 695–706. Zoltek did not originally bring a Fifth Amendment claim. In fact, the issue was never raised in the Court of Federal Claims until the trial judge, after raising the issue himself in oral argument, directed both parties to submit supplemental briefing. See Zoltek Corp. v. United States, 51 Fed. Cl. 829, 839 (2002). Zoltek was, apparently, ill-prepared for the trial court’s sudden interjection of a potential constitutional claim into the case. Even after the supplemental briefing was received, the trial judge noted, with some irritation, plaintiff counsel’s inability to “tell the court what type of taking,” either a regulatory taking or physical invasion, had occurred. Zoltek, 58 Fed. Cl. at 706.
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99. See supra note 47 and accompanying text.
100. Zoltek, 442 F.3d at 1349 (“The federal government is immune from any legal action by its sovereign immunity.... The waiver of immunity can be limited and conditioned by the Congress.... A patentee’s judicial recourse against the federal government, or its contractors, for patent infringement, is set forth and limited by the terms of 28 U.S.C. § 1498.”) (citation omitted).
101. Id.
102. Id. at 1351.
“confirms that the statute augmented the Court of Claims’ Tucker Act jurisdiction by providing jurisdiction over the tort of patent infringement.”103 The court admitted that both Crozier and the text of § 1498 suggest that the provision might reasonably be “analyze[d] . . . in terms of takings and protecting property rights.”104 But in creating a cause of action for patent infringement by the federal government, the court argued, Congress confirmed that there is no constitutional basis for such an action.105 After all, if patent infringement is an exercise of eminent domain that creates a cause of action under the Fifth Amendment, why would Congress have needed to consent to suit in 1910?106 “Whatever the rationale, [Congress] adopt[ed] a limited waiver of sovereign immunity and confer[red] rights on patentees for money damages against the government,” but that does not “disturb the Supreme Court’s analysis of the Fifth Amendment in Schillinger.”107 Rather, the 1910 Act “legislates against the background of the Schillinger legal framework.”108 Finally, holding that patent infringement was a taking would render § 1498 superfluous, since patentees would always have a separate, broader Fifth Amendment claim.109

There are several problems with the Federal Circuit’s analysis. As a starting matter, the Zoltek majority mischaracterized the Court’s ruling in Schillinger, which was not about whether a plaintiff could sue under the Tucker Act for patent infringement on a Fifth Amendment theory, but about whether a plaintiff could bring suit for any kind of taking under the Tucker Act.110 The panel ignored nearly a century of its own precedent that characterizes patent infringement by the government as a taking.111 In discussing the Act’s legislative history, the panel disregarded repeated plain assertions in the House Report, as well as in the Congressional debates, that patents are protected by the Fifth Amendment and that infringement by the federal government is a taking.112 Most importantly, the panel’s assertion that the 1910 Act “legislates against the background of the Schillinger legal framework,” while undoubtedly true as an historical matter, is relevant only if the Schillinger legal

103. Id.
104. Id. at 1352.
105. Id. at 1351–52.
106. Id.
107. Id. at 1352.
108. Id.
109. Id. at 1353.
110. See supra notes 42–56 and accompanying text.
111. See supra notes 81–84 and accompanying text.
112. See supra notes 58–69 and accompanying text.
background itself remains intact. After Jacobs and Causby, it does not.113

The core of the majority’s argument uses circular logic: since Congress did consent to suit for patent infringement, its consent must be needed if patentees are to recover (since Congress would not enact a superfluous statute),114 which means that patent infringement by the government cannot be a taking because Congress’s consent to suit is immaterial to a takings claim.115 In the end, the panel’s best argument comes to this: if patent infringement by the federal government is a taking, why would Congress enact § 1498 at all, since the government has already consented to suit for takings through the Fifth Amendment?116

The answer, of course, is that in 1910 the Fifth Amendment was not understood to create a cause of action for takings. Section 1498 was the additional waiver of sovereign immunity for patent takings that, prior to Jacobs and Causby, the Supreme Court de-

113. See supra notes 70–80 and accompanying text.


115. Zoltek Corp. v. United States, 442 F.3d. 1345, 1352 (2003) (“In response to Schillinger, Congress provided a specific sovereign immunity waiver for a patentee to recover for infringement by the government. Had Congress intended to clarify the dimensions of the patent rights as property interests under the Fifth Amendment, there would have been no need for the new and limited sovereign immunity waiver.”).

116. It is an argument the dissent never clearly answers. Judge Plager vigorously charges his colleagues with misreading Schillinger, correctly noting—that without fully explaining—that “[w]hatever relevance the argument in Schillinger may have had to constitutional takings back in 1894 regarding contract and tort jurisdiction in the Court of Claims, it has none now.” Zoltek, 442 F.3d at 1377 (Plager, J., dissenting). He also discusses the way in which Jacobs changed how takings claims are brought in the Court of Claims. Id. at 1376–77. But he never adequately answers the majority’s strongest argument—why, if there is a Fifth Amendment claim for patent infringement by the government, did Congress enact § 1498 at all? And he never clearly articulates how changes in the way courts construe the Fifth Amendment bear on the proper construction of § 1498. In the end, he simply asserts that these are two separate remedies, one statutory and one constitutional: “[T]he existence of a proper takings claim is an issue wholly independent of whether under § 1498 there is a valid claim that triggers a remedy under that statute.” Id. at 1378.
manded to make the claim justiciable in the Court of Claims. To the Federal Circuit, it simply made no sense, given modern Fifth Amendment case law, to suggest that Congress would consent to suit for a taking, because the Fifth Amendment is all the consent required. But that is a relatively new development, and the majority opinion in Zoltek failed to consider the half-century of case law that sheds light on what Congress understood itself to be doing in 1910. Confronted with a takings statute that made no sense given the present-day understanding of the Fifth Amendment, the Federal Circuit concluded that the injury that triggers a suit under § 1498 must not be a taking, despite all the evidence to the contrary.

Is there an alternative to the Federal Circuit’s holding in Zoltek, one that is more faithful to longstanding precedent suggesting that patent infringement by the government is a taking while not rendering § 1498 superfluous? The answer, it would seem, is to construe § 1498 as a jurisdictional statute, identifying the Court of Federal Claims as the exclusive forum for adjudicating a class of claims for which the government has already accrued liability under the Fifth Amendment. Under this reading of § 1498—which resembles the Supreme Court’s contemporary reading of the Tucker Act117—the Fifth Amendment creates the government’s liability for taking a patent right, while § 1498 assigns a court jurisdiction to hear the resulting claim. This outcome is more consonant with what Congress actually understood itself to be doing in the 1910 Patent Act than is the Federal Circuit’s reading of § 1498. Congressional supporters understood the 1910 Patent Act not as creating substantive rights against the government in patentees—that right, to just compensation for a taking, was already secured by the Fifth Amendment—but as giving the government’s consent to be sued for that liability in the Court of Claims. After Jacobs and Causby, the government’s consent to be sued for that liability is no longer needed, but § 1498 stills serves an important purpose in assigning that claim to the jurisdiction of the Court of Federal Claims.

With the Supreme Court declining to hear Zoltek’s petition for certiorari, is there any chance of revisiting the Federal Circuit’s decision? Prospects are not good in the short run, since under § 1498 the Court of Federal Claims is the exclusive forum for adjudicating patent infringement claims against the government, and that court is bound by the Federal Circuit’s decision in Zoltek. Since a circuit split is not likely to develop, the Supreme Court’s denial of certiorari may have the practical effect of affirming the Federal Circuit’s

117. See supra note 79.
decision, leaving the constitutional status of patents unsettled for some time to come. In fact, the most likely outcome is that Congress will close the statutory loophole of 28 U.S.C. § 1498 and waive immunity to suit for patent infringement committed outside the United States.118 Ironically, this pattern would replicate precisely what occurred after Schillinger: congressional action to correct an unnecessarily narrow statutory interpretation. Only time will tell whether such a legislative outcome will have, as the Patent Act did, unintended consequences in defining the scope of patent rights against the government.

CONCLUSION

When one compares the development of federal patent takings law and federal real property takings law, it is clear that the two bodies of case law were never substantively distinguishable before 1910. Patents were always considered property, subject to the same Fifth Amendment protections as real property. After 1910 what changed was not courts’ understanding of the Fifth Amendment status of patents, but their understanding of the Fifth Amendment itself, and of how property owners obtained the just compensation due to them under the Constitution. However, patents have remained outside these developments, and in reviewing the historical development of federal patent takings cases, the reason becomes clear: the 1910 Patent Act sheared off patent takings from the main body of takings law. Patents were never treated any differently from other forms of property until the 1910 Patent Act, which was premised on an understanding of the Fifth Amendment that no longer holds.

Driving the Federal Circuit’s erroneous conclusion in Zoltek was its failure to consider fully the rationale of the 1910 Patent Act, and whether that rationale remains relevant. Viewed against the long history of patent infringement cases in the Court of Claims and the Federal Circuit, it is clear that Zoltek is not the inevitable conclusion of that case law, but a departure from it.

118. Efforts are already underway to overturn Zoltek by statute, driven largely by government contractors who fear that they will be liable for overseas infringement committed at the federal government’s behest during the performance of federal contracts. See, e.g., Jerry Stouck, Greenberg Traurig, LLP, Supreme Court Refuses to Review Decision That Exposes Government Contractors to Certain Patent Infringement Claims (June 2007), http://www.gtlaw.com/pub/alerts/2007/0600k.pdf.
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