

THE DARK SIDE OF TRIBAL SOVEREIGN IMMUNITY: THE GAP BETWEEN LAW AND REMEDY

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INTRODUCTION

Protecting intellectual endeavors and encouraging technological progress is critical to maintain the United States' technological edge.¹ The importance of the nation's technological edge is recognized in the United States Constitution, which provides Congress with the power "[t]o 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"² (the "IP Clause"). Patent law serves these interests—it protects new innovations to encourage more innovations, maximizing social welfare.³ However, tension between patent law's underlying utilitarian policy and the goal to maximize social welfare undermines "the ingenuity of American inventors and entrepreneurs."⁴

More tension arises when sovereign immunity is involved. In the United States, local and federal governments, foreign nations, and Indian tribes enjoy sovereign immunity.⁵ The sovereign immunity doctrine provides a sovereign with immunity from suit in its own courts and those of another.⁶ The principles underlying sovereign immunity are those of comity, protection of a sovereign's treasuries, and preventing disruption to the organized administration of a sovereign's government.⁷ Sovereign immunity is rationalized as a benefit to society.⁸ Yet, plaintiffs are often forced to endure losses caused by otherwise actionable wrongs.⁹

Recently, an agreement between Allergan, Inc. ("Allergan"), a pharmaceutical company, and the Saint Regis Mohawk Tribe, a Native American Tribe, to "buy" the Tribe's sovereign immunity aroused controversy;¹⁰ is such agreement

¹ *General Information Concerning Patents*, U.S. PAT. & TRADEMARK OFF. (Oct. 2015), <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents> [https://perma.cc/NL5F-GZYN].

² U.S. CONST. art. I, § 8, cl. 8.

³ Jeanne C. Fromer, *The Intellectual Property Clause's External Limitations*, 61 DUKE L.J. 1329, 1366 (2012).

⁴ *About Us*, U.S. PAT. & TRADEMARK OFF. (June 5, 2018, 10:48 AM), <https://www.uspto.gov/about-us> [https://perma.cc/7YUC-U3CM]. See generally Dorian Ojemen, Comment, *The Ethics of Inter Partes Review Before the USPTO*, 47 ST. MARY'S L.J. 645, 648 (2016).

⁵ Thomas P. McLish, Note, *Tribal Sovereign Immunity: Searching for Sensible Limits*, 88 COLUM. L. REV. 173, 179 (1988).

⁶ *Id.* at 174.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ Matt Levine, *Sovereign Immunity and Public Hangings*, BLOOMBERG (Sept. 11, 2017, 6:26 AM), <https://www.bloomberg.com/view/articles/2017-09-11/sovereign-immunity-and-public-hangings> [https://perma.cc/WY3L-K7D7]; Carlos Quijada, *Patents and Tribal Sovereign Immunity*, BIOLAWTODAY.ORG (Oct. 23, 2017), <https://www.law.utah.edu/patents-and-t>

clever or deceptive? The deal was triggered after Mylan Pharmaceuticals, Inc. (“Mylan”), a generic drug maker, along with two other pharmaceuticals manufacturers, challenged Allergan’s Restasis (a dry eye medication) patents’ validity before the U.S. Patent Trial and Appeal Board (“PTAB”).¹¹ The PTAB had instituted Inter Partes Review (“IPR”) proceedings for six of Allergan’s patents.¹² While IPR was pending, Allergan assigned its rights of its Restasis patents to the Saint Regis Mohawk Tribe.¹³ The Tribe in turn granted Allergan an exclusive field-of-use license to the patents.¹⁴

The agreement between Allergan and the Tribe specifically bargained for the Tribe’s assertion of sovereign immunity against Mylan’s IPR petition before the PTAB—not the challenge before the federal court.¹⁵ If Allergan could avoid the IPR, Allergan would prevent the PTAB from cancelling its patents.¹⁶ As such, the Tribe moved to dismiss Mylan’s petition for IPR, asserting its sovereign immunity, and Allergan moved to withdraw from the IPR proceedings.¹⁷

tribal-sovereign-immunity/ [https://perma.cc/THF7-2WGF]; Shock Exchange, *Allergan: Judge Bryson Uses ‘Patents’ and ‘Sham’ in a Sentence*, SEEKING ALPHA (Oct. 9, 2017, 4:55 AM), <https://seekingalpha.com/article/4112345-allergan-judge-bryson-uses-patents-sham-sentence> [https://perma.cc/Y8QJ-HW64]; Meg Tirrell, *Senators Question Allergan CEO on Tribe Patent Deal*, CNBC (Nov. 7, 2017, 6:55 PM), <https://www.cnbc.com/2017/11/07/senators-question-allergan-ceo-on-tribe-patent-deal.html> [https://perma.cc/UU8J-H2KN]; Jan Wolfe, *Tech Firms Tell Patent Court to Ignore Allergan Deal with Tribe*, REUTERS (Dec. 1, 2017, 3:00 PM), <https://www.reuters.com/article/us-allergan-patent/tech-firms-tell-patent-court-to-ignore-allergan-deal-with-tribe-idUSKBN1DV63M> [https://perma.cc/D2H2-X7AP].

¹¹ Quijada, *supra* note 10; Wolfe, *supra* note 10. This challenge was filed parallel to patent litigation in federal court. Katie Thomas, *Patents for Restasis Are Invalidated, Opening Door to Generics*, N.Y. TIMES (Oct. 16, 2017), <https://www.nytimes.com/2017/10/16/health/allergan-restasis-patent-.html> [https://perma.cc/5MYG-UWN6]. Allergan filed suit against Mylan in the Eastern District of Texas alleging infringement of the Restasis patents. *Id.* The Court invalidated four key patents. *Id.*

¹² Wanli Tang & J. Patrick Elsevier, *United States: PTAB Agrees to Review Patent Claims Covering Dry Eye Ailments*, MONDAQ (Jan. 9, 2017), <http://www.mondaq.com/unitedstates/x/555186/Patent/PTAB+Agrees+to+Review+Patent+Claims+Covering+Dry+Eye+Ailments> [https://perma.cc/3RHM-25RS].

¹³ Tirrell, *supra* note 10.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Allergan, Inc. v. Teva Pharm. USA, Inc., No. 2:15-CV-1455-WCB, 2017 WL 4619790, at *2 (E.D. Tex. Oct. 16, 2017), *aff’d mem.* 742 Fed. App’x 511 (Fed. Cir. 2018). “Allergan is attempting to misuse Native American sovereignty to shield invalid patents from cancellation.” *Id.* at *1.

¹⁷ *Allergan*, 2017 WL 4619790, at *1. The Eastern District Court of Texas joined the Saint Regis Mohawk Tribe as a co-plaintiff in the civil action. *Id.* at *5. The Court invalidated the Restasis patents based on obviousness. Jan Wolfe & Michael Erman, *U.S. Judge in Texas Invalidates Allergan Patents on Restasis*, REUTERS (Oct. 16, 2017, 10:28 AM), <https://www.reuters.com/article/us-allergan-patents/u-s-judge-in-texas-invalidates-allergan-patents-on-restasis-idUSKBN1CL2KE> [https://perma.cc/5AEU-H2TC]. Federal Judge William Bryson expressed his concerns regarding the agreement between Allergan and the tribe, noting that “sovereign immunity should not be treated as a monetizable commodity that can be pur-

The PTAB did not extend the protections of tribal immunity to IPR and denied Allergan's motion to withdraw from the proceedings.¹⁸ Next, an appeal to the Court of Appeals for the Federal Circuit followed.¹⁹ The Federal Circuit affirmed the Board's decision dismissing the Tribe's assertion of immunity.²⁰ The Federal Circuit reasoned that IPRs were not "the type of proceedings from which the Framers would have thought the States possessed immunity" because of the proceedings' functional and procedural differences from civil litigation.²¹ The Federal Circuit did not extend tribal immunity to IPR because sovereign immunity is implicated in disputes between private parties, but not in suits brought by the federal government.²² This decision precisely exhibits the need to define the contours of tribal immunity.

Allergan is not the only company with tricks up its sleeve. Prowire LLC ("Prowire"), a Texas company, has also invested in "immunity" for its patent.²³ Prowire assigned its patent to MEC Resources LLC ("MEC"), which is wholly owned by a Native American tribe.²⁴ Like Allergan, MEC is asserting its tribal immunity to avoid an IPR challenge that could invalidate the patent.²⁵ Companies are protecting their business interests by "buying" immunity. In fact, the Saint Regis Mohawk Tribe confirmed that it is holding forty patents from another technology company.²⁶

In light of the controversial legal immunity purchase, Senator Claire McCaskill introduced a bill to remedy the gap between law and remedy agreements like that of Allergan and the Saint Regis Mohawk Tribe create.²⁷ Specifically, the bill will prohibit an Indian tribe from asserting sovereign immunity

chased by private entities as part of a scheme to evade their legal responsibilities." *Allergan*, 2017 WL 4619790, at *3; Jan Wolfe, *Allergan Ruling Casts Doubt on Tribal Patent Strategy*, REUTERS (Oct. 17, 2017, 3:10 PM), <https://www.reuters.com/article/us-allergan-patents-analysis/allergan-ruling-casts-doubt-on-tribal-patent-strategy-idUSKBN1CM369> [<https://perma.cc/C8LL-RF46>].

¹⁸ *Saint Regis Mohawk Tribe v. Mylan Pharm., Inc.*, 896 F.3d 1322, 1325 (Fed. Cir. 2018); Steven A. Caloiaro & Caleb L. Green, *Sovereign Shield Does Not Extend to Inter Partes Reviews*, CLIENT ALERT (July 26, 2018), <https://www.dickinson-wright.com/-/media/files/news/2018/07/sovereign-shield-does-not-extend-to-inter-partes-r.pdf> [<https://perma.cc/E6HY-7XZT>].

¹⁹ *Saint Regis Mohawk Tribe*, 896 F.3d at 1325.

²⁰ *Id.*

²¹ *Id.* at 1326; Caloiaro & Green, *supra* note 18.

²² *Saint Regis Mohawk Tribe*, 896 F.3d at 1327.

²³ Joe Mullin, *Apple is Being Sued for Patent Infringement by a Native American Tribe*, ARS TECHNICA (Sept. 27, 2017, 5:11 AM), <https://arstechnica.com/tech-policy/2017/09/apple-is-being-sued-for-patent-infringement-by-a-native-american-tribe/> [<https://perma.cc/8YW M-GS4Y>].

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ S. 1948, 115th Cong. (2017).

as a defense in an IPR proceeding.²⁸ The bill would completely “derail [the] landmark and lucrative deal” between Allergan and the Saint Regis Mohawk Tribe, and other similar transactions.²⁹

In this Note, I argue that the recent exploitation of tribal immunity demonstrates the need to abrogate tribal immunity in particular instances. Specifically, suits where the cause of action arises out of commercial activities and off-reservation activities affecting the United States directly. “Buying” immunity for protection against patent challenges is now an option for businesses wanting to protect their patents. This Note addresses the issues that arise from the blanket assertion of tribal immunity to protect patents before the PTAB and other proceedings and the effect the assertion of immunity has on “Authors and Inventors.”³⁰ Moreover, a recent Supreme Court case, *Lewis v. Clarke*,³¹ offers insight into the change in the Supreme Court’s perspective and the likely limitations to the scope of tribal immunity ahead.

Part I briefly summarizes patent law in the United States and the IPR procedure before the PTAB. Part II reviews the origins of sovereign immunity, briefly summarizing state, federal, and foreign immunity, which allows for the examination of the development of tribal immunity. Tribal immunity jurisprudence demonstrates that tribal immunity is broader, in comparison to the sovereign immunity of states, the federal government, and foreign nations. Part III also delves into the abrogation of tribal immunity and Part IV analyzes the *Lewis v. Clarke* decision. Part V argues for the limitation of the scope of tribal immunity. Specifically, tribal immunity should be subject to the same limitations applicable to the sovereign immunity of states, the federal government, and foreign nations. The Supreme Court’s decision in *Lewis v. Clarke* provides sound reasoning supporting such limitations. In light of the transaction between Allergan and the Saint Regis Mohawk Tribe, the abrogation of tribal immunity in IPR is just the tip of the iceberg. This Note concludes that the scope of tribal immunity necessitates review and advocates for appropriate action.

I. UNITED STATES PATENT LAW

The basis for U.S. Patent law is derived from the IP Clause in the U.S. Constitution.³² Patent law is codified in Title 35 of the United States Code,

²⁸ *Id.*

²⁹ *Sen. McCaskill Unveils Unprecedented Bill to Abrogate Tribal Sovereign Immunity*, INDIANZ (Oct. 5, 2017), <https://www.indianz.com/News/2017/10/05/sen-mccaskill-unveils-unprecedented-bill.asp> [<https://perma.cc/762C-8H99>]. The PTAB denied the Saint Regis Mohawk tribe’s motion to dismiss based on sovereign immunity in Feb. 2018. Jan Wolfe, *U.S. Patent Court Deals Setback to Allergan’s Restasis Strategy*, REUTERS (Feb. 26, 2018, 8:04 AM), <https://www.reuters.com/article/us-allergan-patent-tribe/u-s-patent-court-deals-setback-to-allergans-restasis-strategy-idUSKCN1GA239> [<https://perma.cc/8MAT-UGYJ>].

³⁰ U.S. CONST. art. I, § 8, cl. 8. *See generally* Fromer, *supra* note 3.

³¹ *Lewis v. Clarke*, 137 S. Ct. 1285, 1288 (2017).

³² Fromer, *supra* note 3, at 1366.

which established the United States Patent and Trademark Office (“USPTO”).³³ The USPTO fulfills the IP Clause of the Constitution and is the federal agency granting U.S. patents for the protection of inventions.³⁴

Congress has the enumerated power to enact laws relating to patents. That power, however, is limited by the policy considerations underlying patent law—the interplay between the goal of enhancing innovation and patent protection.³⁵

The U.S. economy’s strength and vitality depends on patent law—the “effective mechanisms that protect new ideas and investments in innovation and creativity.”³⁶ Patent law is the branch of intellectual property law relating to new inventions, designed to encourage and promote technological growth through the protection of inventions.³⁷ Patent law is based on utilitarianism—by incentivizing authors with exclusive rights they are motivated “to create culturally valuable works.”³⁸ Without such incentives, authors would not otherwise waste their time and money because their work could be easily copied, eliminating their profits.³⁹

A patent for an invention is the exclusive property right granted to an inventor by the USPTO.⁴⁰ The grant provides the patentee “the right to exclude others from making, using, offering for sale, or selling the invention” for a twenty-year term from the application filing date.⁴¹ Patent law motivates authors to disclose their new technologies and benefit the public.⁴² An applicant may challenge the USPTO’s patent determinations through the PTAB or through the federal court system.⁴³

³³ 35 U.S.C. § 1 (2012); U.S. PAT. & TRADEMARK OFF., *supra* note 1.

³⁴ 35 U.S.C. § 2 (2012); U.S. PAT. & TRADEMARK OFF., *supra* note 1.

³⁵ Fromer, *supra* note 3, at 1366.

³⁶ U.S. PAT. & TRADEMARK OFF., *supra* note 4; *see also* Fromer, *supra* note 3, at 1366.

³⁷ U.S. PAT. & TRADEMARK OFF., *supra* note 4.

³⁸ Fromer, *supra* note 3, at 1366.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ 35 U.S.C. § 154 (2012).

⁴² Fromer, *supra* note 3, at 1366; U.S. PAT. & TRADEMARK OFF., *supra* note 4.

⁴³ 35 U.S.C. §§ 134, 141 (2012). The availability of different tribunals presents litigants with opportunities and challenges, which are beyond the scope of this Note. There are several key differences in challenging patents in the PTAB compared to federal courts—there are timing and fee differences, different legal standards, and complex issues are probably better off in the PTAB. *Id.* at §§ 134, 141; *see* *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2146 (2016); *Novartis AG v. Noven Pharm., Inc.*, 853 F.3d 1289, 1294 (Fed. Cir. 2017); *Covidien LP v. Univ. of Fla. Research Found., Inc.*, No. IPR2016-01274, 2017 WL 4015009, at *11 (P.T.A.B. Jan. 25, 2017) (order dismissing petitions for Inter Partes Review based on Sovereign Immunity); Dorothy P. Whelan & John A. Dragseth, *Validity Challenges: District Court vs. Patent Office*, LAW360 (Dec. 18, 2013, 12:15 PM), http://www.fr.com/files/Uploads/Documents/Validity-Challenges_District-Court-Vs-Patent-Office.pdf [<https://perma.cc/ZY23-LQLK>]. The decision to pursue either forum is purely strategic. Whelan & Dragseth, *supra*. Parties are motivated to initiate both PTAB and district court proceedings, because “parties seek to get the upper hand toward locking in an estoppel.” *Id.* Further,

In furtherance of the policy underlying patent law, a patentee has “remedy by civil action for infringement of his patent.”⁴⁴ Patent infringement is engaging in prohibited activities implicating a patent owner’s exclusive rights.⁴⁵ Infringement occurs whether or not a person has a license.⁴⁶ The USPTO, however, does not have “jurisdiction over questions of [patent] infringement” and their enforcement.⁴⁷

A. *The Leahy-Smith America Invents Act*

The Leahy-Smith America Invents Act’s (“AIA”) created the PTAB which was a notable change to former patent procedures. The AIA was a compromise between the Senate and the House to effect needed patent reform.⁴⁸ The AIA was signed into law in 2011⁴⁹ and aims to address the Patent Office’s overwhelming number of cases, the office’s failure to provide timely patents, the inconsistency in quality of issued patents, and the time and costs of patent litigation.⁵⁰

The PTAB is an administrative agency of the USPTO created by statute.⁵¹ The PTAB includes the Appeals Division and the Trial Division, and it is charged with deciding patentability issues—adverse examiner decisions, post-issuance challenges to patents, and interferences.⁵² PTAB proceedings are generally referred to as “post-grant” proceedings because they happen in the USPTO, after the USPTO has granted a patent.⁵³ The Trial Division of the

PTAB decisions do not bind federal court decisions. *Id.* PTAB and district court may reach different conclusions when addressing the same arguments and the same evidence because of the difference in evidentiary burdens. *Id.* Hence, prior PTAB determinations are not binding on federal courts. *Id.*

⁴⁴ 35 U.S.C. § 281 (2012); U.S. PAT. & TRADEMARK OFF., *supra* note 1.

⁴⁵ U.S. PAT. & TRADEMARK OFF., *supra* note 1.

⁴⁶ Infringement can occur when a licensee is engaging in activities beyond the scope of the licensing agreement. *Id.* Patent applications are submitted to the USPTO and the USPTO examines the applications “to determine if the applicants are entitled to patents under the law and patents are granted when applicants are so entitled.” *Id.* The scope of the patented innovation and the extent of its protection is defined in the claims of the granted patent. *Id.*

⁴⁷ *Id.*

⁴⁸ Ojemen, *supra* note 4, at 653.

⁴⁹ *Id.*

⁵⁰ *Id.* at 648. The biggest complaint of the former patent system was timeliness. *Id.* at 649. Before the AIA the average wait time for any determination from the PTAB was approximately 2.9 years. *Id.* There was also a backlog of pending patent applications. *Id.* Such delays significantly impacted the development of additional products, the gain of venture capital, and the commercialization of new technology, as patents were just sitting on the shelf waiting. *Id.*

⁵¹ 35 U.S.C. § 6(a) (2012).

⁵² 35 U.S.C. § 6(b) (2012); *Patent Trial and Appeal Board*, U.S. PAT. & TRADEMARK OFF. (May 24, 2016, 10:57 AM), <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/appeals/patent-trial-and-appeal-board> [<https://perma.cc/QKP3-XES8>].

⁵³ 35 U.S.C. § 141 (2012).

PTAB addresses contested cases, including IPR.⁵⁴ Final PTAB decisions can be appealed to the U.S. Court of Appeals for the Federal Circuit.⁵⁵

B. Inter Partes Review

Inter Partes Review is “a kind of mini-litigation system . . . before the . . . [PTAB], rather than in district courts.”⁵⁶ IPR is a proceeding providing a means of challenging the validity of a patent that may have been mistakenly issued by the USPTO.⁵⁷ Through IPR proceedings the agency is able to take a second look at its own decision to issue a patent, correcting errors made by the government, while district court proceedings aim at correcting defective private action.⁵⁸ IPR is a valuable tool because it is quicker and cheaper than district courts.⁵⁹

An IPR proceeding reviews the patentability of at least one claim in a patent.⁶⁰ IPR, however, is limited to claims raised under 35 U.S.C. § 102 or § 103, and claims based on prior art consisting of patent or printed publications.⁶¹ IPR aims to address such issues early on and avoid costly and time-consuming litigation.⁶²

IPR proceedings begin with a “challenger,” someone other than the patent owner, filing a petition requesting an IPR before the PTAB.⁶³ To institute an IPR, the challenger must show there is “a reasonable likelihood that the petitioner would prevail [on] at least [one] of the claims challenged in the petition,” by a preponderance of the evidence.⁶⁴ After the petition has been filed, the pa-

⁵⁴ U.S. PAT. & TRADEMARK OFF., *supra* note 52. The trial division also includes Post Grant Review, Transitional Program for Covered Business Methods Patents, and Derivation Proceedings. *Id.*; *Transitional Program for Covered Business Method Patents*, U.S. PAT. & TRADEMARK OFF. (May 9, 2017, 10:17 AM), <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/trials/transitional-program-covered-business> [<https://perma.cc/5LZK-W84V>].

⁵⁵ U.S. PAT. & TRADEMARK OFF., *supra* note 1.

⁵⁶ Mullin, *supra* note 23.

⁵⁷ *Inter Partes Review*, U.S. PAT. & TRADEMARK OFF. (May 9, 2017, 10:15 AM), <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/trials/inter-partes-review> [<http://perma.cc/26UQ-RZ84>].

⁵⁸ *Saint Regis Mohawk Tribe v. Mylan Pharm., Inc.*, 896 F.3d 1322, 1334–35 (Fed. Cir. 2018).

⁵⁹ Ojemen, *supra* note 4, at 652.

⁶⁰ U.S. PAT. & TRADEMARK OFF., *supra* note 57.

⁶¹ 35 U.S.C. § 311 (2012); U.S. PAT. & TRADEMARK OFF., *supra* note 57.

⁶² Ojemen, *supra* note 4, at 665; Anne S. Layne-Farrar, *The Cost of Doubling Up: An Economic Assessment of Duplication in PTAB Proceedings and Patent Infringement Litigation*, LANDSLIDE (May & June 2018), https://www.americanbar.org/groups/intellectual_property_law/publications/landslide/2017-18/may-june/cost-doubling-up/ [<https://perma.cc/SSE5-22QL>].

⁶³ U.S. PAT. & TRADEMARK OFF., *supra* note 57.

⁶⁴ 35 U.S.C. § 314(a) (2012) (declaring IPR institution deadlines); Ojemen, *supra* note 4, at 659.

tent owner may file a preliminary response within three months, explaining why the challenger's IPR petition should be denied.⁶⁵ The patent owner's decision to file a preliminary response is only strategic and does not increase the likelihood that the PTAB will not grant the IPR petition.

The PTAB will decide whether to proceed after the expiration of an initial three-month period or three months after the preliminary response.⁶⁶ The petitioner is estopped from reasserting arguments raised during the IPR, or arguments that could have reasonably been raised during the IPR before the PTAB and a federal district court.⁶⁷ The PTAB's decision whether to institute an IPR is final and cannot be appealed to the PTAB, but parties may file for a rehearing, or appeal to the Federal Circuit.⁶⁸

If the petition for an IPR is granted, the IPR can terminate if the parties reach settlement, or the IPR can proceed without the challenger until the PTAB's final determination, which is issued within a year from the petition's filing.⁶⁹ The PTAB is likely to cancel challenged patents once IPR is instituted "due to its high rate of finding claims unpatentable."⁷⁰ Further, if the IPR results in any patent invalidations, any litigation in connection with those patents effectively ends.⁷¹ However, an individual is unable to challenge a patent's validity through an IPR if: (1) the party petitions for an IPR within nine months of the patent being granted; (2) the party filed a civil suit challenging the same patent prior to filing the IPR petition; (3) "the party filed the [IPR] petition more than a year after service of lawsuit involving the same patent; [and (4)] the party is estopped from filing a petition for some other reason."⁷²

C. *Build On or Build Around*⁷³

Patent law provides authors and inventors the exclusive rights of their innovations for twenty years from the filing date.⁷⁴ The ultimate goal of patent law is social welfare and the development of the nation's technological edge.⁷⁵ As such, patent law provides a means by which patent owners may benefit society. Patent owners may commit their patented innovation to public domain,

⁶⁵ Ojemen, *supra* note 4, at 659.

⁶⁶ 35 U.S.C. § 314(b) (2012).

⁶⁷ *See id.* § 314(d).

⁶⁸ *Id.*

⁶⁹ U.S. PAT. & TRADEMARK OFF., *supra* note 57.

⁷⁰ Ojemen, *supra* note 4, at 665.

⁷¹ FISH & RICHARDSON PC, A GUIDE TO PATENT LITIGATION IN FEDERAL COURT (Lawrence K. Kolodney ed., 2018), <https://www.fr.com/wp-content/uploads/2018/05/2018-A-Guide-to-Patent-Litigation-in-Federal-Court.pdf> [<https://perma.cc/2GV7-CHLZ>].

⁷² Ojemen, *supra* note 4, at 658.

⁷³ *See generally* Christopher Buccafusco et al., *The Nature of Sequential Innovation*, 59 WM. & MARY L. REV. 1 (2017).

⁷⁴ 35 U.S.C. § 154 (2012). The patent system has set a twenty-year period because patents are generally more valuable right after their creation. *Id.*

⁷⁵ RAMAN MITTAL, LICENSING INTELLECTUAL PROPERTY: LAW & MANAGEMENT 13 (2011).

they may assign all their exclusive rights to another person, or they may pick and choose who may use their patent.⁷⁶

Patent law provides a means for others to engage in activities that implicate the exclusive rights of authors and inventors—a license from the patent owner.⁷⁷ The patent owner authorizes the licensee to engage in activities that would otherwise implicate the patent owner's exclusive rights and constitute infringement.⁷⁸ Patent owners in turn receive patent royalty payments from the licensee as consideration for the license.⁷⁹

Still, the patent owner retains ownership over the patent.⁸⁰ Essentially, the patent owner is consenting to the use of his patent by a third party, and is promising not to exercise his right to sue this third-party for borrowing his exclusive rights to the patent; granted the use of the patent is according to the terms of their licensing agreement.⁸¹ Hence, a license does not confer any interest on the licensee; rather it makes “lawful that which would otherwise be unlawful.”⁸²

Full rights of ownership do not accompany a license.⁸³ A license includes only a fraction of the patent owner's rights, which are determined by the patent owner.⁸⁴ Intellectual property is intangible and allows the patent owner to continue to use its patent fully without any interruption from licensees, making licensing of patents extremely profitable for patent owners.⁸⁵

The policies underlying patent law are the basis for licensing. Without patent law and the ability to license, others could borrow and take freely from patent owners, discouraging authors and inventors to continue to waste their money and time creating new innovations.⁸⁶ It follows that without such licensing, other authors and inventors would have to wait until the patent owners' twenty-year period is over and the patent enters the public domain to avoid infringement of the patent owner's exclusive rights.⁸⁷ Such a system could impede new

⁷⁶ The assignment of a patent owner's exclusive rights is the transfer of all those exclusive rights to another person, much like the sale of property. *Id.* at 2.

⁷⁷ Buccafusco et al., *supra* note 73, at 19.

⁷⁸ MITTAL, *supra* note 75, at 63; Buccafusco et al., *supra* note 73, at 19–20.

⁷⁹ MITTAL, *supra* note 75, at 1.

⁸⁰ *Id.*

⁸¹ Freedom of contract allows patent owners to choose licensees and determine what rights these licensees have. As such, basic contract principles apply to licensing agreements. *Id.* at 1, 3.

⁸² *Id.* at 63.

⁸³ *Id.* at 64.

⁸⁴ A patent owner can set different limitations on the licensee's use of the patent, such as geographic, time, and restricted to a particular use. *Id.* at 67–69.

⁸⁵ *Id.* at 2.

⁸⁶ See Buccafusco et al., *supra* note 73, at 20.

⁸⁷ *Id.* at 19, 21.

innovations. New authors and inventors have the option of either creating something new around the patent owners' rights or obtaining licenses.⁸⁸

There are several different licenses. Due to the intangible nature of intellectual property, patent owner's exclusive rights may be split up in different ways.⁸⁹ An exclusive license divests the licensor the right to grant any other licenses of the same rights licensed.⁹⁰ The licensor can still grant several exclusive licenses, but cannot grant more than one license granting the same rights.⁹¹ Through protective mechanisms, patent law advances the U.S. Constitution's goal to maximize social welfare with new innovations.

II. THE KING CAN DO NO WRONG: THE DOCTRINE OF SOVEREIGN IMMUNITY

This section briefly explores the substantial literature on the sovereign immunity doctrine. Of particular relevance are the similarities across state, federal, and foreign, and any limitations on these immunities' scope. The background of the sovereign immunity doctrine supports a thorough understanding of the roots of tribal sovereign immunity and its scope.

Sovereign immunity is the judicial doctrine protecting sovereign states by forbidding claims against a sovereign without the sovereign's consent.⁹² A sovereign enjoys immunity from its own and other sovereigns' courts.⁹³ Sovereign immunity is premised upon the idea that "the King c[ould] do no wrong" because he was the sovereign and the source of the law.⁹⁴ As such, it is only right that the King have sovereign immunity in his own courts.⁹⁵

⁸⁸ *Id.* at 21. The twenty-year period intends to protect the patents during the time that they are most valuable. It is never wise for others wanting to borrow patent owners' exclusive rights to wait out the twenty-year period because as a patent's value diminishes quickly, it is very likely that any new innovation depending on that patent is also likely to diminish in value. As such, subsequent innovations borrowing from other patents are most valuable when first created. *Id.* at 19–20.

⁸⁹ Other types of licenses include the non-exclusive license which permits the licensor to grant other licenses. MITTAL, *supra* note 75, at 83. Also, the sole license, co-exclusive license, compulsory license, implied license, and statutory license. *Id.* at 79–85.

⁹⁰ *Id.* at 80.

⁹¹ For example, one exclusive license may grant the licensee with exclusive rights to a particular territory, Africa, another for Europe, and another exclusive license may grant another licensee with the exclusive rights to a particular field of use. This maximizes a patent owner's profits. *Id.*

⁹² William Wood, *It Wasn't an Accident: The Tribal Sovereign Immunity Story*, 62 AM. U. L. REV. 1587, 1611 (2013); McLish, *supra* note 5, at 173–74; Sue Woodrow, *Tribal Sovereign Immunity: An Obstacle for Non-Indians Doing Business in Indian Country?*, COMMUNITY DIVIDEND (Jul. 1, 1998), <https://www.minneapolisfed.org/publications/community-dividend/tribal-sovereign-immunity-an-obstacle-for-nonindians-doing-business-in-indian-country> [<https://perma.cc/3GD3-L9BM>].

⁹³ Wood, *supra* note 92, at 1611. The origins of foreign sovereign immunity are not clear. *Id.*

⁹⁴ McLish, *supra* note 5, at 174 (alteration in original) (citing CIVIL ACTIONS AGAINST STATE GOVERNMENT, ITS DIVISIONS, AGENCIES, AND OFFICERS 13 (W. Winborne ed., 1982)).

⁹⁵ *Id.*

The justification for sovereign immunity doctrine “was replaced by a rationale emphasizing the doctrine’s benefit to society.”⁹⁶ The justifications for sovereign immunity changed with the developments of “the notion that sovereignty is embodied in the people.”⁹⁷ American courts accepted the idea that “it is better that an individual should sustain an injury than that the public should suffer an inconvenience.”⁹⁸ American courts found that sovereign immunity benefits American society because it protects the “public interest and convenience by preventing [the exhaustion] of the sovereign’s funds through payment of damage awards” or through the defense of various suits.⁹⁹ Further, society is protected from the “disruption of the orderly administration of government caused by the constant threat of legal action.”¹⁰⁰

The King also enjoys immunity from another’s courts. The notion of foreign sovereign immunity is rooted in principles of sovereign independence and developed because a sovereign state¹⁰¹ is independent, not subject to any other power or state.¹⁰² It retains all authority, rights, and power “to regulate its internal affairs without foreign interference.”¹⁰³ As such, the King should enjoy the protections in other nations’ courts, similar to the protections afforded to him at home.¹⁰⁴ All states and nations are considered to be legally equal, hence no state could be subject to the jurisdiction of another.¹⁰⁵ Sovereigns recognized that it is in their best interest to avoid conflict and to reciprocate courtesies.¹⁰⁶ Accordingly, the courts recognized foreign immunity from suit.¹⁰⁷

A. *Federal, State and Foreign Sovereign Immunity*

In the United States federal, state, and local governments enjoy immunity from suits.¹⁰⁸ Sovereign immunity is derived from history, as a fundamental aspect of sovereignty.¹⁰⁹ When the United States was founded, the states under-

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ Russell v. Men of Devon (1788) 100 Eng. Rep. 359, 362; McLish, *supra* note 5, at 174.

⁹⁹ McLish, *supra* note 5, at 174; *see also Purpose of Immunity § 1.2 in, 1 CIV. ACTIONS AGAINST STATE & LOC. GOV’T* (2018).

¹⁰⁰ McLish, *supra* note 5, at 174; *see also* Kenneth Culp Davis, *Sovereign Immunity Must Go*, 22 ADMIN. L. REV. 383, 383–84 (1970).

¹⁰¹ “State” in this context refers to independent bodies of government, thus “state” includes countries. *Sovereign State*, BLACK’S LAW DICTIONARY (10th ed. 2014).

¹⁰² Woodrow, *supra* note 92, at 1611.

¹⁰³ *Id.*

¹⁰⁴ McLish, *supra* note 5, at 174.

¹⁰⁵ *Id.* at 176.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 173. Much like the King that could do no wrong as he was the source of the law, the government cannot be compelled by the courts because it is the source of law that creates the courts in the first place. *Id.* at 174.

¹⁰⁹ Wood, *supra* note 92, at 1611.

stood that “their newly-formed national government [and the states were] to have sovereign immunity.”¹¹⁰ The federal government’s immunity is not referenced in the Constitution.¹¹¹ Rather, it was “simply taken as a given”¹¹² because it was an established doctrine inherited from English common law.¹¹³

The states enjoy sovereign immunity because the states existed as independent sovereigns before the Constitution.¹¹⁴ A state’s sovereign immunity derives from the Eleventh Amendment of the United States Constitution,¹¹⁵ and the Supreme Court affirmed this interpretation of the Eleventh Amendment in *Hans v. Louisiana*¹¹⁶ and later in *Blatchford v. Native Village of Noatak*.¹¹⁷ Further, in *Northern Insurance Co. of New York v. Chatham County*, the Supreme Court found “arms of the State [also] possess immunity from suits.”¹¹⁸

Foreign nations also enjoy sovereign immunity from suit in United States courts.¹¹⁹ Relying on the same principles of state and federal sovereign immunity, the Supreme Court concluded that the United States could not subject a foreign sovereign government to suit in United States courts—federal or state.¹²⁰ In *Schooner Exchange* Chief Justice Marshall explained that “the whole civilized world concurred” with these principles of sovereign immunity because it was necessary for international relations, and it would be wrongful for the United States to violate the established custom without prior notice.¹²¹

¹¹⁰ *Id.*

¹¹¹ *Id.* at 1613–14.

¹¹² *Id.* at 1613.

¹¹³ *Id.* at 1610–11. *See generally* *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264, 411–12 (1821) (recognizing the doctrine of federal sovereign immunity and is cited as first occasion); Vicki C. Jackson, *Suing the Federal Government: Sovereignty, Immunity, and Judicial Independence*, 35 GEO. WASH. INT’L L. REV. 521, 523 n.5 (2003) (stating that *Cohens* is “[t]he first clear reference to the sovereign immunity of the United States” despite *Martin v. Hunter’s Lessee*, 14 U.S. (1 Wheat.) 304, 335–36 (1816), “an earlier but more ambiguous reference”).

¹¹⁴ Wood, *supra* note 92, at 1614.

¹¹⁵ The Eleventh Amendment provides that “[t]he 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.” U.S. CONST. amend. XI. “The Eleventh Amendment does not preclude private parties from seeking money damages against state officers in their personal capacity or injunctive relief against state officers in their official capacity to prevent ongoing violations of federal law.” Christina Bohannon, *Beyond Abrogation of Sovereign Immunity: State Waivers, Private Contracts, and Federal Incentives*, 77 N.Y.U. L. REV. 273, 275 n.7 (2002).

¹¹⁶ *Hans v. Louisiana*, 134 U.S. 1, 11 (1890).

¹¹⁷ “[T]he judicial authority in Article III is limited by this sovereignty” because “the States entered the federal system with their sovereignty intact” and “a state will therefore not be subject to suit in federal court unless it has consented to suit.” *Blatchford v. Native Vill. of Noatak*, 501 U.S. 775, 779 (1991).

¹¹⁸ *N. Ins. Co. of N.Y. v. Chatham Cty.*, 547 U.S. 189, 193 (2006).

¹¹⁹ 28 U.S.C. § 1604 (2012).

¹²⁰ *Schooner Exch. v. M’Faddon*, 11 U.S. (7 Cranch) 116, 137 (1812).

¹²¹ *Id.*

B. The Scope of Federal, State, and Foreign Sovereign Immunity

The scope of state, federal, and foreign sovereign immunity is not absolute. A private party may not sue a sovereign unless Congress has unequivocally abrogated its immunity or the sovereign expressly waives¹²² its immunity and consents to suit.¹²³ Congress may abrogate a sovereign's immunity only "when it both unequivocally intends to do so and 'act[s] pursuant to a valid grant of constitutional authority.'"¹²⁴ For Congress to "unequivocally intend" to abrogate a sovereign's immunity, Congress must express such intent in plain and unambiguous terms.¹²⁵

1. Federal

The federal government has not liberally abrogated its immunity.¹²⁶ Most of the federal government's immunity has been limited by statute in only particular circumstances.¹²⁷ Congress, through explicit legislation, has set forth limitations on the immunity the federal government enjoys.¹²⁸

The federal government does not enjoy sovereign immunity when the federal government is acting in a predominantly commercial capacity, because, it is not acting in its governmental capacity.¹²⁹ For example, federal corporations created by the United States do not enjoy the sovereign immunity of the federal government because of the corporations' predominantly commercial pur-

¹²² A state waives its immunity when it fails to raise the immunity as a defense at trial, by a private agreement, or acceptance of federal benefits made conditional on waiver of immunity from federal claims. Bohannon, *supra* note 115, at 289, 292, 303. Although Bohannon ultimately concludes a state does not waive its immunity by failing to raise the defense at trial, cases have consistently held to the contrary.

"Eleventh Amendment immunity is an affirmative defense that must be raised 'early in the proceedings' to provide 'fair warning' to the plaintiff." Because it is an affirmative defense, it can be waived. "The test employed to determine whether a state has waived immunity 'is a stringent one.'" "A state generally waives its immunity when it 'voluntarily invokes [federal] jurisdiction or . . . makes a 'clear declaration' that it intends to submit itself to [federal] jurisdiction.'" "Express waiver is not required; a state 'waive[s] its Eleventh Amendment immunity by conduct that is incompatible with an intent to preserve that immunity.'" "

Aholelei v. Dep't of Pub. Safety, 488 F.3d 1144, 1146 (9th Cir. 2007) (alterations in original) (quoting *Demshki v. Monteith*, 255 F.3d 986, 989 (9th Cir. 2001)) (first quote), and *In re Bliemeister*, 296 F.3d 858, 861 (9th Cir. 2002) (second through fourth quote).

¹²³ *N. Ins. Co. of N.Y.*, 547 U.S. at 195; McLish, *supra* note 5, at 177.

¹²⁴ *Bd. of Trs. v. Garrett*, 531 U.S. 356, 363 (2001) (quoting *Kimel v. Fla. Bd. of Regents*, 528 U.S. 62, 73 (2000)).

¹²⁵ *Thebo v. Choctaw Tribe of Indians*, 66 F. 372, 375–76 (8th Cir. 1895) (holding the first explicit invocation of tribal immunity in a published federal court opinion).

¹²⁶ McLish, *supra* note 5, at 175–76.

¹²⁷ *Id.* at 176.

¹²⁸ *Wood*, *supra* note 92, at 1610; McLish, *supra* note 5, at 176.

¹²⁹ McLish, *supra* note 5, at 176.

pose.¹³⁰ In fact, Congress must expressly grant the federal corporations immunity.¹³¹

Further, Congress has limited the scope of federal immunity for citizens who would otherwise bear losses. The Federal Tort Claims Act abrogates federal immunity by allowing tort actions against the federal government. Further, the federal civil rights laws allow for contract actions, and the Tucker Act allows for other actions that would otherwise be barred by sovereign immunity, such as actions founded upon the Constitution or any Act of Congress.¹³²

2. States

States' sovereign immunity is not congruent with that which the federal government enjoys. The Eleventh Amendment only protects states against suits "commenced or prosecuted . . . by Citizens of another State, or by Citizens or Subjects of any Foreign State."¹³³ Hence, the states are only immune from private actions. The Eleventh Amendment does not protect the states from suits commenced or prosecuted by the United States.¹³⁴ The United States may sue the states regardless of Congress' authorization.¹³⁵

Further, "states are not required to recognize the immunity of sister states."¹³⁶ As such, when a state is sued in a sister state's court, the state's sovereign immunity is a "matter of common law directed by the form [sic] state's policy."¹³⁷ Sovereign immunity between sister states is similar to the immunity of foreign sovereigns and federal courts because it comes from agreements between the sovereign states, and comity.¹³⁸

Congress has limited the scope of sovereign immunity the states enjoy. Congress may abrogate a state's immunity when it is enforcing the constitutional rights guaranteed by the Fourteenth Amendment.¹³⁹ Congress may deem

¹³⁰ *Id.*

¹³¹ *Id.*; see also *Keifer & Keifer v. Reconstruction Fin. Corp.*, 306 U.S. 381, 389 (1939) (holding that a federal corporation was not immune to suit, however "Congress may, of course, endow a governmental corporation with the government's immunity").

¹³² 28 U.S.C. § 1491 (2012). See generally 28 U.S.C. §§ 2671–2680 (2012); 42 U.S.C. § 1983 (2012).

¹³³ U.S. CONST. amend. XI.

¹³⁴ *United States v. Mississippi*, 380 U.S. 128, 140 (1965); see also *United States v. California*, 332 U.S. 19, 26–28 (1947); *United States v. California*, 297 U.S. 175, 180, 185 (1936); *United States v. Texas*, 143 U.S. 621, 621, 626 (1892).

¹³⁵ *United States v. Mississippi*, 380 U.S. at 140; see also *United States v. California*, 332 U.S. at 27; *United States v. California*, 297 U.S. at 185; *United States v. Texas*, 143 U.S. at 621.

¹³⁶ McLish, *supra* note 5, at 177.

¹³⁷ *Id.*

¹³⁸ *Id.* at 177–78.

¹³⁹ *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456 (1976) ("[T]he Eleventh Amendment, and the principle of state sovereignty which it embodies, are necessarily limited by the enforcement provisions of § 5 of the Fourteenth Amendment.") (citing *Hans v. Louisiana*, 134 U.S. 1 (1890)). "The Congress shall have power to enforce, by appropriate legislation, the provi-

it appropriate to allow private parties to sue the state or state officials to enforce the Fourteenth Amendment.¹⁴⁰

Hence, Congress has abrogated states' Eleventh Amendment immunity from Title VII sex-based retaliation claims.¹⁴¹ Congress abrogated this immunity after it identified a state's pattern of unconstitutional employment discrimination on the basis of gender and the lack of a forum to protect equal employment.¹⁴² "Title VII was enacted pursuant to the Fourteenth Amendment,"¹⁴³ thus Title VII trumps states' immunity. Congress has also abrogated states' immunity for violations of the Age Discrimination Enforcement Act, the Safe Drinking Water Act, the Copyright Act, and the American with Disabilities Act.¹⁴⁴

State courts have also limited their own immunity.¹⁴⁵ The decision of states to severely limit their own immunity emphasizes the injustice that results from a blanket assertion of immunity.¹⁴⁶ Sovereign immunity protects the state from all suits against it in its own courts, thus forcing plaintiffs to endure the "losses caused by otherwise actionable wrongs."¹⁴⁷ States' self-limitations can be interpreted as states recognizing that it is unjust to leave citizens without a remedy when the state harms them.

sions of this article." U.S. CONST. amend. XIV, § 5; Bohannon, *supra* note 115, at 338; Traci Dreher Quigley, *Commercialization of the State University: Why the Intellectual Property Protection Restoration Act of 2003 is Necessary*, 152 U. PA. L. REV. 2001, 2009 (2004). In *Seminole Tribe of Florida v. Florida*, the Court held that Congress could not rely on Article I of the Constitution to abrogate a state's sovereign immunity. *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 73 (1996). A discussion of Congress's power to abrogate sovereign immunity is beyond the scope of this Note.

¹⁴⁰ *Fitzpatrick*, 427 U.S. at 456.

¹⁴¹ *Crumpacker v. Kan. Dep't. of Human Res.*, 338 F.3d 1163, 1166 (10th Cir. 2003).

¹⁴² *Id.* at 1170.

¹⁴³ *Wilson v. Wayne Cty.*, 856 F. Supp. 1254, 1263 (M.D. Tenn. 1994).

¹⁴⁴ 29 U.S.C. § 633a(c) (2012) (providing that "[a]ny person aggrieved may bring a civil action in any Federal district court"); *Osage Tribal Council ex rel. Osage Tribe of Indians v. U.S. Dep't. of Labor*, 187 F.3d 1174, 1181 (10th Cir. 1999). This is a non-exhaustive list of the abrogation of states' sovereign immunity. *See* 17 U.S.C. § 511(a) (2012) (providing that "[a]ny State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity, shall not be immune, under the Eleventh Amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person, including any governmental or nongovernmental entity, for a violation of any of the exclusive rights of a copyright owner"); 42 U.S.C. §§ 12188, 12202 (2012) (providing a general cause of action for "any person who is being subjected to discrimination on the basis of disability in violation of this subchapter," and "[a] State shall not be immune under the eleventh amendment to the Constitution of the United States from an action in Federal or State court of competent jurisdiction for a violation of this chapter.>").

¹⁴⁵ *McLish*, *supra* note 5, at 174.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

States have drawn distinctions between the state's governmental acts and proprietary acts,¹⁴⁸ as a means to satisfy competing state interests. The state is held liable for its actions when the suits arise out of proprietary actions.¹⁴⁹ Yet the state is not liable for suits arising out of governmental acts because the state enjoys sovereign immunity.¹⁵⁰ The distinction states make between the capacity of their actions have severely limited states' sovereign immunity.¹⁵¹

3. Foreign Sovereigns

Regarding foreign sovereign immunity, Congress limits foreign sovereign immunity when the sovereign engages in commercial activity.¹⁵² The restrictive doctrine of sovereign immunity, codified in the Foreign Sovereign Immunities Act ("FSIA"), gives federal courts jurisdiction when the foreign sovereign has engaged in commercial activities and has allegedly caused damages during those activities.¹⁵³ Under *Schooner Exchange*, sovereign immunity protected foreign sovereigns from *any* suit.¹⁵⁴

In *Schooner Exchange*, plaintiffs sued The Schooner Exchange, a French warship, alleging they had rightful ownership and that the ship had been wrongfully seized from them by an individual acting on behalf of France.¹⁵⁵ The Supreme Court held that France was protected from suit from a private party and dismissed the case because it did not have jurisdiction to subject France to suit in its courts.¹⁵⁶ Chief Justice Marshall noted that by definition of sovereignty "[t]he jurisdiction of the nation within its own territory is necessarily exclusive and absolute [and i]t is susceptible of no limitation not imposed by itself."¹⁵⁷ The Court held that The Schooner Exchange, a friendly warship, was exempted from domestic jurisdiction when the ship entered an American port because the United States impliedly waived jurisdiction; the Court reasoned that the ship carried with it the sovereign status and privileges that accompany it.¹⁵⁸

The scope of foreign sovereign immunity, however, has narrowed. The "*Schooner Exchange* [decision] was understood to mean that foreign sover-

¹⁴⁸ *Id.* at 175.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ McLish, *supra* note 5, at 174–75. Implied waivers also limit a state's sovereign immunity, such as the state's voluntary participation as a litigant constitutes waiver of sovereign immunity. *Id.* at 175. A full discussion of a state's waiver and consent to suit is beyond the scope of this Note.

¹⁵² 28 U.S.C. § 1605(a)(2) (2012).

¹⁵³ McLish, *supra* note 5, at 177.

¹⁵⁴ Wood, *supra* note 92, at 1612.

¹⁵⁵ *Schooner Exch. v. M'Faddon*, 11 U.S. (7 Cranch) 116, 117 (1812); Wood, *supra* note 92, at 1612.

¹⁵⁶ *Schooner Exch.*, 11 U.S. at 143, 147.

¹⁵⁷ *Id.* at 136.

¹⁵⁸ *Id.* at 144, 146–47.

eigns enjoyed absolute immunity.”¹⁵⁹ Now, the federal courts apply the restrictive doctrine of sovereign immunity, and the classical theory of foreign sovereign immunity is not accepted.¹⁶⁰ The change in the doctrine of foreign immunity came about when foreign nations began to engage in commercial transactions.¹⁶¹ The restrictive doctrine of sovereign immunity provides that foreign sovereigns are immune only from those suits arising out of governmental acts.¹⁶² Foreign sovereigns do not enjoy sovereign immunity from suits that arise out of proprietary acts.¹⁶³ Therefore, claims arising out of commercial or proprietary acts are cognizable in federal court.¹⁶⁴

The FSIA provides that a foreign sovereign enjoys immunity in any United States court, unless an exception set forth in the FSIA applies.¹⁶⁵ A plaintiff may sue a foreign state when: (1) the claim is based on the foreign state’s commercial activity carried on in the U.S.; (2) when the claim is based on the foreign state’s act, which occurred in the U.S., and in connection with commercial activity outside of the U.S.; and (3) when the claim is based on the foreign state’s act that occurred outside the U.S. in connection with commercial activity outside the U.S., but which causes a direct effect in the U.S.¹⁶⁶ The FSIA requires courts to consider the nature of the act itself, rather than the foreign state’s purpose for engaging in the act.¹⁶⁷ Foreign nations are only afforded protection for their governmental activities.¹⁶⁸ Accordingly, under the FSIA, a foreign sovereign’s immunity is frequently waived, favoring an individual’s right to sue.¹⁶⁹

Congress has used federal incentives to encourage waivers of sovereign immunity.¹⁷⁰ For example, Senator Patrick Leahy of Vermont submitted the Leahy Bill—also known as the Intellectual Property Protection Restoration Act of 2003—in an attempt to remedy the existing unfairness of the sovereign immunity doctrine as applied to federal intellectual property rights.¹⁷¹ The Leahy Bill was introduced because “Congress could not abrogate sovereign immunity under the federal intellectual property laws.”¹⁷² The Leahy Bill would have required states to waive their sovereign immunity defense in any future infringe-

¹⁵⁹ Wood, *supra* note 92, at 1612.

¹⁶⁰ McLish, *supra* note 5, at 177.

¹⁶¹ *Id.*

¹⁶² *Id.*

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ 28 U.S.C. § 1330(a) (2012).

¹⁶⁶ 28 U.S.C. § 1605(a)(2) (2012).

¹⁶⁷ 28 U.S.C. § 1603(d) (2012).

¹⁶⁸ McLish, *supra* note 5, at 177.

¹⁶⁹ *Id.*

¹⁷⁰ Bohannon, *supra* note 115, at 277.

¹⁷¹ *Id.*; *see also* S.1191, 108th Cong. (2003) (enacted).

¹⁷² *Id.*

ment or declaratory judgment action when states applied to obtain a patent or when registering a copyright or trademark.¹⁷³

The underlying reasoning for the application of sovereign immunity to states, the federal government, and foreign nations is largely based on already-established principles. These principles include: sovereign immunity is inherent in the sovereign; it was “recognized in the common law; suits are offensive to a sovereign’s or state’s dignity; and/or sovereign immunity protects the states’ treasuries.”¹⁷⁴ These underlying principles established tribal immunity.¹⁷⁵

III. TRIBAL SOVEREIGN IMMUNITY

The sovereignty of Native American tribes is well-established.¹⁷⁶ Europeans treated Indian tribes as independent sovereigns existing within English territories, and thus entered into treaties with the tribes.¹⁷⁷ That is, Indian tribes had the authority to govern their internal affairs.¹⁷⁸ After the United States declared its independence from Great Britain, the United States continued the established policy of recognizing Indian tribes as independent sovereigns, recognizing their sovereign immunity and associating with tribes through treaties.¹⁷⁹ These treaties established the relationship between tribes and the U.S., known as the trust relationship.¹⁸⁰ President Nixon emphasized the importance of the trust relationship between the federal government and the tribes and pressed for legislation permitting tribes to govern their own affairs with a maximum degree of autonomy.¹⁸¹

Like individual states,¹⁸² Indian tribes are sovereign entities.¹⁸³ Indian tribes’ sovereignty is codified in 25 U.S.C. § 5123, providing that “each Indian

¹⁷³ *Id.* at 277–78.

¹⁷⁴ Wood, *supra* note 92, at 1621–22.

¹⁷⁵ *Id.* at 1622.

¹⁷⁶ *Id.* at 1624; *History and Culture: Indian Self Determination and Education Assistance Act—1975*, N. PLAINS RESERVATION AID, http://www.nativepartnership.org/site/PageServer?pagename=airc_hist_selfdeterminationact [https://perma.cc/QK62-ND62] (last visited Jan. 12, 2019); *see also* *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 754 (1998); *Okla. Tax Comm’n v. Citizen Band Potawatomi Indian Tribe of Okla.*, 498 U.S. 505, 510 (1991); *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 58 (1978); *Puyallup Tribe, Inc. v. Dep’t of Game*, 433 U.S. 165, 172 (1977); *United States v. U.S. Fid. & Guar. Co.*, 309 U.S. 506, 512 (1940); *Turner v. United States*, 248 U.S. 354, 355 (1919); *Worcester v. Georgia*, 31 U.S. (6 Pet.) 515, 519 (1832); *Thebo v. Choctaw Tribe of Indians*, 66 F. 372, 374–76 (8th Cir. 1895).

¹⁷⁷ Wood, *supra* note 92, at 1623.

¹⁷⁸ *Id.* at 1650.

¹⁷⁹ *Id.* at 1624.

¹⁸⁰ Hope M. Babcock, *A Civic-Republican Vision of “Domestic Dependent Nations” in the Twenty-First Century: Tribal Sovereignty Re-envisioned, Reinvigorated, and Re-empowered*, 2005 UTAH L. REV. 443, 457, 502 (2005).

¹⁸¹ McLish, *supra* note 5, at 184 n.93.

¹⁸² *Hans v. Louisiana*, 134 U.S. 1, 20 (1890) (reaffirming that the Eleventh Amendment of the Constitution provides states with immunity from suit without their consent).

tribe shall retain inherent sovereign power.”¹⁸⁴ As such, tribes have the authority to govern themselves within the United States¹⁸⁵ and they are immune from judicial proceedings without their express consent or abrogation by Congress.¹⁸⁶

Indian tribes are separate from federal and state governments—they are “domestic dependent nations,”¹⁸⁷ despite their “characteristics of national statehood.”¹⁸⁸ The Supreme Court has noted that Indian tribes’ sovereign immunity is “not coextensive with that of the States.”¹⁸⁹ Tribes enjoy a kind of higher status than states because tribes are sovereign political entities, possessing inherent sovereign authority not derived from the United States.¹⁹⁰ As such, tribal sovereign immunity is a matter of federal law.¹⁹¹

The doctrine of sovereign immunity is crucial to Native American tribes. Sovereign immunity provides protection for their “resources and the promotion

¹⁸³ McLish, *supra* note 5, at 178–79. The federal government and European powers have recognized tribes as having inherent sovereignty. Wood, *supra* note 92, at 1623–24. Indian affairs were centralized at the federal level in the Constitution because they were recognized as sovereigns. *Id.* at 1625. The U.S. Constitution provides Congress has the power “[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes,” determining that tribes are separate from the federal government and states. U.S. CONST. art. I, § 8, cl. 3. Hence, the President was given the power to make treaties with Indian tribes. Wood, *supra* note 92, at 1625.

¹⁸⁴ 25 U.S.C. § 5123 (2012).

¹⁸⁵ See Wood, *supra* note 92, at 1627.

¹⁸⁶ Babcock, *supra* note 180, at 469 n.112; see also *Three Affiliated Tribes of the Fort Berthold Reservation v. Wold Eng’g, P.C.*, 476 U.S. 877, 890 (1986); *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 58 (1978); *United States v. U.S. Fid. & Guar. Co.*, 309 U.S. 506, 512 (1940).

¹⁸⁷ *Cherokee Nation v. Georgia*, 30 U.S. (5 Pet.) 1, 17 (1831); see also U.S. CONST. art. 1, § 8, cl. 3. The political and legal standing of Indian Tribes was affirmed in three cases, what are known as The Marshall Trilogy. See *Worcester v. Georgia*, 31 U.S. (6 Pet.) 515, 557–59 (1832); *Cherokee Nation*, 30 U.S. at 17; *Johnson v. M’Intosh*, 21 U.S. (8 Wheat.) 543, 604 (1823). Further, the Constitution provides that Congress shall have the power “to regulate Commerce with foreign Nations, and among the Several states, and with the Indian tribes[.]” U.S. CONST. art. I, § 8, cl. 3. Tribes are not bound by the fourteenth amendment nor are they bound by the Bill of Rights. *Elk v. Wilkins*, 112 U.S. 94, 109 (1884).

¹⁸⁸ Wood, *supra* note 92, at 1646.

¹⁸⁹ *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 755–56 (1998); *Blatchford v. Native Vill. of Noatak*, 501 U.S. 775, 782 (1991) (explaining that tribal immunity is not co-extensive with that of the States because tribes were not at the Constitutional Convention. As such, tribes are not parties to “the mutuality of . . . concession,” which is what “makes the States’ surrender of immunity from suit by sister States plausible.”). The Commerce Clause provides that Congress shall have the power “to regulate Commerce with foreign Nations and among the several States, and with the Indian Tribes.” U.S. CONST. art. I, § 8, cl. 3. The language of the commerce clause suggests that Indian tribes are separate from the states and should be treated as sovereign.

¹⁹⁰ Bree R. Black Horse, *The Risks and Benefits of Tribal Payday Lending to Tribal Sovereign Immunity*, 1 AM. INDIAN L.J. 388, 397 (2013).

¹⁹¹ *Kiowa Tribe*, 523 U.S. at 756.

of tribal economic and social interests,”¹⁹² and because immunity protects the sovereign’s treasury.¹⁹³ Tribes’ inherent sovereignty may be limited through federal statutes, treaties, or “when inconsistent with their dependent status.”¹⁹⁴ The first five tribal immunity cases “adopt a tribal immunity doctrine that bars suits on contracts, suits for injunctive relief, and all other types of actions”¹⁹⁵

Congress, however, may subject the sovereign state to suit despite the lack of consent.¹⁹⁶ The abrogation doctrine explains when and how Congress may abrogate a sovereign state’s sovereign immunity.¹⁹⁷ “[T]ribal immunity is no different than federal, state, or foreign sovereign immunity” in this fundamental principle.¹⁹⁸

A. *The Scope of Tribal Immunity*

The scope of tribal sovereign immunity is broad. Unless Congress has expressly abrogated a tribe’s immunity, the tribe is assumed to possess it.¹⁹⁹ The application of tribal immunity is not limited and applies to all causes of action, and any prospective relief, in state or federal court.²⁰⁰

Tribes enjoy immunity from suits even when the activities giving rise to the suit are predominantly proprietary and not governmental actions. In *Oklahoma Tax Commission v. Citizen Band Potawatomi Indian Tribe of Oklahoma*, the court refused to limit tribal immunity even though tribal businesses extended beyond tribal self-governance and internal affairs.²⁰¹ The tribe had, for many years, sold cigarettes on tribal lands without collecting Oklahoma’s cigarette tax.²⁰² The Oklahoma Tax Commission demanded that the tribe pay sales taxes due for four years of sales.²⁰³ Suit followed, and the Supreme Court held that

¹⁹² Woodrow, *supra* note 92.

¹⁹³ Wood, *supra* note 92, at 1590.

¹⁹⁴ Gregory Ablavsky, *Tribal Sovereign Immunity and Patent Law*, LEGAL AGGREGATE (Sept. 13, 2017), <https://law.stanford.edu/2017/09/13/tribal-sovereign-immunity-and-patent-law/> [https://perma.cc/36WH-K37F].

¹⁹⁵ Wood, *supra* note 92, at 1640.

¹⁹⁶ McLish, *supra* note 5, at 177.

¹⁹⁷ *Id.* at 181.

¹⁹⁸ Wood, *supra* note 92, at 1640.

¹⁹⁹ STEVEN ANDREW LIGHT & KATHRYN R.L. RAND, *INDIAN GAMING AND TRIBAL SOVEREIGNTY: THE CASINO COMPROMISE* 19 (2005).

²⁰⁰ Wood, *supra* note 92, at 1622; *see* *Adams v. Murphy*, 165 F. 304, 308 (8th Cir. 1908) (noting that tribes are protected from claims for damages, injunctive relief and all types of causes of actions because of their tribal immunity); *see also* *Fed. Mar. Comm’n. v. S.C. State Ports Auth.*, 535 U.S. 743, 765 (2002) (explaining that tribal immunity applies regardless of what plaintiff is seeking).

²⁰¹ *Okla. Tax Comm’n v. Citizen Band Potawatomi Indian Tribe of Okla.*, 498 U.S. 505, 510 (1991).

²⁰² *Id.* at 507.

²⁰³ *Id.*

the tribe had not waived its immunity by initiating suit in the district court because tribes were immune from counter-claims and cross-suits, absent Congressional authorization to the contrary.²⁰⁴ Next, the Court held that the tribe was immune and did not have to collect sales taxes for cigarettes sold to tribal members, but that the tribe did have to collect sales taxes on cigarettes sold to non-members.²⁰⁵ However, the Court clarified that although Oklahoma did have a right to collect the sales taxes of sales to non-tribal members, there was no way for Oklahoma to enforce its laws by suit because of the tribe's immunity.²⁰⁶ The Court avoided a discussion on the scope of sovereign immunity and suggested that if states find that other alternatives do not work for them, "they may of course seek appropriate legislation from Congress."²⁰⁷ Similarly, in *Maryland Casualty Co. v. Citizens National Bank of West Hollywood*, the Fifth Circuit held that the tribe's engagement in a private or commercial enterprise is immaterial because it is in such transactions that tribes need protection.²⁰⁸ The Court reasoned that limiting the tribe's immunity to suits on liabilities arising from private transactions defeats Congress's purpose for maintaining Tribes' immunity.²⁰⁹

Tribes enjoy immunity from suits arising out of commercial activities. The Supreme Court has generally sustained tribal immunity without drawing a distinction based on where the tribal activities giving rise to the suit occurred, or a distinction between governmental or commercial activities.²¹⁰ In *Kiowa Tribe of Oklahoma v. Manufacturing Technologies, Inc.*, the Kiowa tribe was not subject to suit in state court for breaches of contract involving commercial conduct off the reservation because Indian tribes enjoy sovereign immunity.²¹¹ The Court relied on Congress' silence on the issues—Congress had not unequivocally abrogated the tribe's immunity when suits arise out of commercial activities.²¹² Further, the Court relied on *stare decisis* to make its determination.²¹³ Accordingly, the Court upheld tribal immunity.²¹⁴

Tribes retain immunity from suit arising out of activities off-reservation. In *Michigan v. Bay Mills Indian Community*, a tribe was operating a gaming fa-

²⁰⁴ *Id.* at 509.

²⁰⁵ *Id.* at 512.

²⁰⁶ *Id.* at 514.

²⁰⁷ *Id.*

²⁰⁸ *Md. Cas. Co. v. Citizens Nat'l Bank of W. Hollywood*, 361 F.2d 517, 521 (5th Cir. 1966).

²⁰⁹ *Id.* at 521–22.

²¹⁰ *Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024, 2028 (2014); *Potawatomi Indian Tribe*, 498 U.S. at 510–11 (1991) (recognizing sovereign immunity in a suit over cigarette sale taxation); *Puyallup Tribe, Inc. v. Dep't of Game*, 433 U.S. 165, 167–68 (1977) (recognizing that the tribe's claim of sovereign immunity was "well founded").

²¹¹ *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 760 (1998).

²¹² *Id.* at 759.

²¹³ *Id.* at 753.

²¹⁴ *Id.* at 760.

cility off-reservation, involving the most highly regulated class of gaming under the Indian Gaming Regulation Act (“IGRA”).²¹⁵ The State sued seeking to enjoin the tribe from operating the gaming facility, alleging violations of the IGRA.²¹⁶ Congress had not unequivocally expressed its intent to abrogate tribal immunity from a state’s suit to enjoin the tribe from operating a gaming facility off-reservation.²¹⁷ As such, the Supreme Court held that tribal immunity barred the suit because Congress had not abrogated the tribe’s immunity, so the court did not have jurisdiction to hear the dispute.²¹⁸ Sovereign immunity protected the tribe from suit, despite the fact that the activities giving rise to the claim occurred off-reservation.²¹⁹ In essence, courts will not easily assume that Congress has intended to abrogate tribal immunity and undermine tribes’ self-government.²²⁰ If Congress is silent, the courts will uphold tribal immunity.

Tribes may be subject to suits under limited circumstances. Like the states’ sovereign immunity, tribes may not assert their immunity against the United States.²²¹ Indian tribes, as dependent nations, do not enjoy immunity from suits commenced or prosecuted by the federal government because the United States is a superior sovereign.²²² Tribes remain separate, and retain the power to regulate their people and their internal affairs; however, tribes no longer possess “the full attributes of sovereignty.”²²³ As such, tribal immunity is not implicated where the federal government “acting through an agency engages in an investigative action or pursues an adjudicatory agency action.”²²⁴

In *Saint Regis Mohawk Tribe v. Mylan*, the Federal Circuit rejected the application of tribal immunity in IPR proceedings because IPR proceedings are more like a traditional agency action, rather than an action by a private party.²²⁵ The Court relied on the decision in *Federal Maritime Commission v. South*

²¹⁵ *Bay Mills Indian Cmty.*, 134 S. Ct. at 2028–29.

²¹⁶ *Id.* at 2029.

²¹⁷ *Id.* at 2032.

²¹⁸ *Id.* at 2039.

²¹⁹ *Id.*

²²⁰ *Id.* at 2032.

²²¹ *EEOC v. Karuk Tribe Hous. Auth.*, 260 F.3d 1071, 1075 (9th Cir. 2001).

²²² *Id.*; *see also* *Fla. Paraplegic, Ass’n, v. Miccosukee Tribe of Indians of Fla.*, 166 F.3d 1126, 1135 (11th Cir. 1999); *Reich v. Mashantucket Sand & Gravel*, 95 F.3d 174, 182 (2d Cir. 1996); *Quileute Indian Tribe v. Babbitt*, 18 F.3d 1456, 1459–60 (9th Cir. 1994); *United States v. Red Lake Band of Chippewa Indians*, 827 F.2d 380, 382 (8th Cir. 1987).

²²³ *Miccosukee Tribe of Indians of Fla. v. United States*, 698 F.3d 1326, 1331 (11th Cir. 2012).

²²⁴ *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1325 (Fed. Cir. 2018); *see, e.g.*, *Fed. Power Comm’n v. Tuscarora Indian Nation*, 362 U.S. 99, 123 (1960); *Pauma v. Nat’l Labor Relations Bd.* 888 F.3d 1066, 1078–79 (9th Cir. 2018); *Karuk Tribe Hous. Auth.*, 260 F.3d at 1075.

²²⁵ *Saint Regis Mohawk Tribe*, 896 F.3d at 1327. The Federal Circuit was careful to note that it was not weighing in on “whether there is any reason to treat state sovereign immunity differently.” *Id.* at 1329.

*Carolina State Ports Authority*²²⁶ (“FMC”) to make its determination and concluded that IPR proceedings are unlike civil litigation for several reasons. IPR proceedings are more like an agency enforcement action because the PTAB Director acting on behalf of the United States has broad discretion in deciding to institute IPR on information supplied by a third party—it is not the private party bringing the sovereign before a tribunal.²²⁷ Second, IPR is a reconsideration of a prior agency action, as the IPR may continue without the private party and the participation of the patent owner.²²⁸ Third, the “USPTO procedures in IPR do not mirror the Federal Rules of Civil Procedure.”²²⁹ Finally, the existence of the PTAB’s more inquisitorial proceedings, in which immunity does not apply, does not determine the application immunity in a different type of proceeding.²³⁰ Ultimately, the Director’s authority convinced the Court that IPR proceedings are agency actions.²³¹ As such, Saint Regis Mohawk Tribe may not rely on tribal immunity to protect it from suits against the United States.

Further, the *Ex parte Young* doctrine allows suits against officials acting on behalf of a tribe, or state, to proceed despite sovereign immunity when the state acted unconstitutionally.²³² The doctrine only allows for plaintiffs to seek declaratory and injunctive relief.²³³ In *Ex parte Young*, railroad shareholders sued the Attorney General of Minnesota to enjoin him from enforcing a law that limited what railroads could charge in Minnesota and set forth severe penalties for violators, which violated the Due Process Clause and the Fourteenth Amendment.²³⁴ The Attorney General asserted sovereign immunity, protecting him from suit by private citizens, but the Court explained that precedent did not preclude it from enjoining the official as an individual.²³⁵ The Court concluded that when a state official acts unconstitutionally, that official cannot possibly be acting on behalf of the state because the Supremacy Clause of the Constitution invalidates any contrary laws.²³⁶ As such, when an official acts unconstitutionally, that individual is stripped of his official power and he becomes a citizen

²²⁶ Fed. Mar. Comm’n v. S.C. State Ports Auth., 535 U.S. 743, 760 (2002) (determining that state sovereign immunity precluded FMC from adjudicating a private party’s complaint because the FMC proceedings were overwhelming similar to civil litigation in federal court).

²²⁷ *Saint Regis Mohawk Tribe*, 896 F.3d at 1327–28.

²²⁸ *Id.* at 1328.

²²⁹ *Id.*

²³⁰ *Id.* at 1329.

²³¹ *Id.*

²³² *Ex parte Young*, 209 U.S. 123, 167 (1908).

²³³ Matthew L.M. Fletcher & Kathryn E. Fort, *Advising—and Suing—Tribal Officers: On the Scope of Tribal Official Immunity* 2–3 (Feb. 20, 2009) (unpublished research paper) <https://www.law.msu.edu/indigenous/papers/WhitePaper200901.pdf> [<https://perma.cc/5UFU-6TXW>]; see also *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 73 (1996); *Keweenaw Bay Indian Cmty. v. Kleine*, 546 F. Supp. 2d 509, 517 (W.D. Mich. 2008).

²³⁴ *Young*, 209 U.S. at 129–30.

²³⁵ *Id.* at 155–56.

²³⁶ *Id.* at 159–60.

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who may be brought before the court.²³⁷ Accordingly, the Attorney General did not enjoy the state's sovereign immunity.²³⁸

The *Ex parte Young* doctrine applies to tribal officials. The United States Supreme Court has suggested that the doctrine should apply to tribal officials who act outside the scope of their duties or who violate federal law to avoid tribal immunity.²³⁹ In *Potawatomi*, the Court stated that they have never held that individual tribe agents or officers are immune when the State brings suit.²⁴⁰ Further, in *Puyallup Tribe, Inc. v. Department of Game*, the court stated that sovereign immunity "does not immunize the individual members of the [t]ribe."²⁴¹

B. *The Abrogation of Tribal Immunity*

Tribal immunity is upheld unless the tribe has waived its immunity or Congress has explicitly abrogated immunity.²⁴² Congress may narrow the scope of tribal immunity by setting forth limitations through explicit legislation.²⁴³ Congress may abrogate tribal immunity only when it both unequivocally intends to do so and "act[s] pursuant to a valid grant of constitutional authority."²⁴⁴ For congress to "unequivocally intend" to abrogate tribal immunity, Congress must express such intent in "plain and unambiguous terms."²⁴⁵

The Supreme Court of the United States has retained the doctrine of tribal immunity when Congress failed to abrogate it.²⁴⁶ Tribes may assert sovereign immunity at any stage of the litigation to have the case dismissed.²⁴⁷ If the court does not grant the tribe's motion, the tribe does not need to wait until the end of trial to appeal.²⁴⁸

²³⁷ *Id.* at 160.

²³⁸ *Id.* at 161.

²³⁹ *Fletcher & Fort*, *supra* note 233, at 3; *see also* *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 59 (1978) (holding that an individual tribe member "is not protected by the tribe's immunity from suit").

²⁴⁰ *Okla. Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Okla.*, 498 U.S. 505, 514 (1991); *Fletcher & Fort*, *supra* note 233, at 3.

²⁴¹ *Puyallup Tribe, Inc. v. Dep't of Game*, 433 U.S. 165, 171–72 (1977).

²⁴² *Wood*, *supra* note 92, at 1591 (quoting *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 754 (1998)).

²⁴³ *See id.* at 1597 & n.53.

²⁴⁴ *Bd. of Trs. v. Garrett*, 531 U.S. 356, 363 (2001) (alteration in original) (quoting *Kimel v. Fla. Bd. of Regents*, 528 U.S. 62, 73 (2000)).

²⁴⁵ *Thebo v. Choctaw Tribe of Indians*, 66 F. 372, 376 (8th Cir. 1895). *Thebo* was "the first published federal court opinion . . . explicitly invoke[ing] the tribal . . . immunity doctrine." *Wood*, *supra* note 92, at 1646.

²⁴⁶ *Okla. Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Okla.*, 498 U.S. 505, 509 (1991).

²⁴⁷ *See Mitchell v. Forsyth*, 472 U.S. 511, 525 (1985); *Osage Tribal Council ex rel. Osage Tribe of Indians v. U.S. Dep't of Labor*, 187 F.3d 1174, 1179 (10th Cir. 1999) (holding "the denial of tribal immunity is an immediately appealable collateral order").

²⁴⁸ *See Forsyth*, 472 U.S. at 525; *Osage* 187 F.3d at 1179.

Congress has passed laws abrogating tribal immunity. In one instance, Congress authorized two tribes to sue one another to resolve a property dispute between them in federal court.²⁴⁹ Congress has allowed suits against tribes, states, and the federal government regarding hazardous waste disposal.²⁵⁰ The Federal Debt Collection Procedure Act of 1990 expressly waives tribal immunity and states that courts may require Indian tribes to relinquish to a federal government creditor money owed by a debtor that is in their possession, such as money from a tribal employee's paycheck.²⁵¹ Similarly, the IGRA unequivocally allows states that have a gaming compact with an Indian tribe to sue the tribe to stop a gambling activity violating the compact.²⁵²

Further, Congress has passed laws which unequivocally state that tribal immunity is not waived. Congress did not abrogate tribal immunity with regard to Title VII.²⁵³ Congress specifically exempted Indian tribes from the definition of "employers" that are subject to Title VII.²⁵⁴ Similarly, the Indian Self-Determination and Education Assistance Act of 1975 unequivocally states that tribal immunity is not waived.²⁵⁵ These laws provide that Indian tribes cannot be sued without their unequivocal consent.

²⁴⁹ *Sekaquaptewa v. MacDonald*, 591 F.2d 1289, 1290 (9th Cir. 1979).

²⁵⁰ *Pub. Serv. Co. of Colo. v. Shoshone-Bannock Tribes*, 30 F.3d 1203, 1204, 1206–07 (9th Cir. 1994); *Blue Legs v. U.S. Bureau of Indian Affairs*, 867 F.2d 1094, 1096–97 (8th Cir. 1989).

²⁵¹ See 28 U.S.C. § 3002(7), (10) (2012); *Krystal Energy Co. v. Navajo Nation*, 357 F.3d 1055, 1055–56 (9th Cir. 2004); *United States v. Smith*, No. 2:05CR201, 2008 WL 700320, at *1 (W.D.N.C. Mar. 13, 2008); Wood, *supra* note 92, at 1620. In § 106 of the Bankruptcy Code, the text provides "sovereign immunity is abrogated as to a governmental unit to the extent set forth in this section with respect to the following . . ." 11 U.S.C. § 106 (2012). The definition of the term "governmental unit" includes domestic governments. 11 U.S.C. § 101(27) (2012). In *Krystal Energy*, the Ninth Circuit analyzed the Bankruptcy Code and determined that Congress intended to abrogate tribal immunity when it enacted § 106, although neither statute included the term "Indian tribes." *Krystal Energy*, 357 F.3d at 1056–57. The Court reasoned that the text of § 106 is clear on its face and unequivocally shows Congress' intent to abrogate the sovereign immunity of all "foreign and domestic governments" because the definition first lists subset of all governmental units, but also adds the catch-all phrase, "foreign and domestic governments." *Id.* at 1057. Accordingly, the Court concluded that the phrase "foreign and domestic governments" included sovereign Indian tribes. *Id.* at 1061.

²⁵² 25 U.S.C. § 2710(d)(7)(A)(ii) (2012); Wood, *supra* note 92, at 1669 n.470.

²⁵³ 42 U.S.C. § 2000e(b) (2012) (providing that the term "employer" does not include an Indian tribe).

²⁵⁴ *Id.* In *Nanomantube v. Kickapoo Tribe in Kansas*, the tribe's sovereign immunity remained intact because Congress has explicitly exempted tribes from Title VII's requirements. *Nanomantube v. Kickapoo Tribe in Kansas*, 631 F.3d 1150, 1152 (10th Cir. 2011). Further, the tribe did not waive their immunity through a single sentence in their casino's employee handbook because the handbook did not include any information regarding tribunals where disputes could be resolved. *Id.* at 1153. The sentence in the handbook was not an express and unequivocal waiver, rather it was more akin to a promise not to discriminate. *Id.*

²⁵⁵ Indian Self-Determination and Education Assistance Act of 1975, 25 U.S.C. § 5332 (2012); see Wood, *supra* note 92, at 1663 n.444.

Congress has rarely abrogated tribal immunity. As such, Indian tribes are immune from most suits against them, unless the tribe has unequivocally expressed their consent.²⁵⁶ Courts dismiss cases for lack of jurisdiction based on tribal immunity, including suits seeking to challenge tribal membership requirements,²⁵⁷ a tribal zoning law,²⁵⁸ and tribal hunting and fishing regulations.²⁵⁹ Courts have also dismissed suits that sought recovery for a tribal debt,²⁶⁰ enforcement of a tribal lease,²⁶¹ a determination of ownership of real property in which the tribe had an interest,²⁶² to seize tribal assets,²⁶³ to challenge tribal election procedures or results,²⁶⁴ to collect state taxes that a tribe allegedly owed,²⁶⁵ damages resulting from injuries suffered by patrons²⁶⁶ or employees²⁶⁷ of a tribal casino, worker's compensation from a tribe,²⁶⁸ damages resulting from a tribe's copyright infringement,²⁶⁹ damages against a tribal casino for serving too much alcohol to a patron who then caused an accident,²⁷⁰

²⁵⁶ See Wood, *supra* note 92, at 1590 n.13, 1591, 1597.

²⁵⁷ Santa Clara Pueblo v. Martinez, 436 U.S. 49, 51–52 (1978); Ackerman v. Edwards, 17 Cal. Rptr. 3d 517, 519–20, 523 (Cal. Ct. App. 2004).

²⁵⁸ Trans-Canada Enters. v. Muckleshoot Indian Tribe, 634 F.2d 474, 475, 477 (9th Cir. 1980).

²⁵⁹ California *ex rel.* Cal. Dep't of Fish and Game v. Quechan Tribe of Indians, 595 F.2d 1153, 1154, 1156 (9th Cir. 1979).

²⁶⁰ Kiowa Tribe of Okla. v. Mfg. Techs., Inc., 523 U.S. 751, 754, 760 (1998); Ramey Constr. Co. v. Apache Tribe of the Mescalero Reservation, 673 F.2d 315, 317, 320 (10th Cir. 1982); Bottomly v. Passamaquoddy Tribe, 599 F.2d 1061, 1061, 1066 (1st Cir. 1979); Wells v. Philbrick, 486 F. Supp. 807, 808–09 (D.S.D. 1980); Hoffman v. Sandia Resort & Casino, 232 P.3d 901, 902 (N.M. Ct. App. 2010).

²⁶¹ McClendon v. United States, 885 F.2d 627, 633 (9th Cir. 1989); *see also* Dyer v. Bureau of Indian Affairs, No. 3:07-CV-00611-LRH-VPC, 2008 WL 4813099, at *1–2 (D. Nev. 2008) (dismissing challenge to tribal decision not to renew a lease).

²⁶² Pit River Home & Agric. Coop. Ass'n v. United States, 30 F.3d 1088, 1092–93, 1105 (9th Cir. 1994); Lomayaktewa v. Hathaway, 520 F.2d 1324, 1324–25 (9th Cir. 1975).

²⁶³ Aircraft Equip. Co. v. Kiowa Tribe of Okla., 2 P.3d 338, 340–41 (Okla. 2000); North Sea Prods., Ltd. v. Clipper Seafoods Co., 595 P.2d 938, 942 (Wash. 1979).

²⁶⁴ Fletcher v. United States, 116 F.3d 1315, 1318–19 (10th Cir. 1997); Nero v. Cherokee Nation of Okla., 892 F.2d 1457, 1458–59 (10th Cir. 1989); Runs After v. United States, 766 F.2d 347, 352–53 (8th Cir. 1985); Goodface v. Grassrope, 708 F.2d 335, 336, 339 (8th Cir. 1983).

²⁶⁵ Okla. Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Okla, 498 U.S. 505, 507 (1991).

²⁶⁶ Trudgeon v. Fantasy Springs Casino, 84 Cal. Rptr. 2d 65, 67, 73 (Cal. Ct. App. 1999); Gross v. Omaha Tribe of Neb., 601 N.W.2d 82, 82 (Iowa 1999); Cohen v. Little Six, Inc., 561 N.W.2d 889, 889 (Minn. 1997).

²⁶⁷ Holmes v. St. Croix Casino, 26 Indian L. Rep. 6089, 6092, 6095 (St. Croix Trib. Ct. App. 1999).

²⁶⁸ Adams v. Moapa Band of Paiute Indians, 991 F. Supp. 1218, 1219–20 (D. Nev. 1997); *see also* Webb v. Paragon Casino, 872 So.2d 641, 646 (La. Ct. App. 2004).

²⁶⁹ Bassett v. Mashantucket Pequot Tribe, 204 F.3d 343, 360 (2d Cir. 2000).

²⁷⁰ Cook v. Avi Casino Enters., 548 F.3d 718, 720 (9th Cir. 2008).

and damages resulting from civil rights violations.²⁷¹ In dismissing cases based on tribal immunity, the courts rejected arguments that only the federally recognized tribes are entitled to assert sovereign immunity,²⁷² that states may waive tribal immunity,²⁷³ that tribal officials may be waived under federal law authorizing suit against state officials,²⁷⁴ that tribes waive all immunity by waiving immunity for some claims,²⁷⁵ that tribal immunity does not apply to suits brought by nontribal members,²⁷⁶ and that a tribe's acceptance of federal funds waives the tribe's immunity from suits challenging the manner in which the tribe spent those funds.²⁷⁷

Although the federal government has set forth legislation to clarify the significance of Indian tribes as "domestic dependent nations,"²⁷⁸ the contours of tribal sovereignty remain "murky."²⁷⁹ In *Kiowa*, the Court noted that the doctrine of sovereign immunity "can harm those who are unaware that they are dealing with a tribe, who do not know of tribal immunity, or who have no choice in the matter."²⁸⁰ The Court expressed its concern for the potential issues arising when tribes assert sovereign immunity and embraced the ability of Congress to abrogate tribal sovereign immunity when needed.²⁸¹ In fact, the Court's language urges Congress to step in.²⁸² The Court argues that "tribal immunity extends beyond what is needed to safeguard tribal self-governance" in "our interdependent and mobile society" because tribal enterprises extend

²⁷¹ *Burrell v. Armijo*, 456 F.3d 1159, 1161, 1175 (10th Cir. 2006); see *Seneca Tel. Co. v. Miami Tribe of Okla.*, 253 P.3d 53, 55 (Okla. 2011) (finding tribal immunity from lawsuit seeking damages for alleged destruction of underground telephone cables).

²⁷² *Bottomly v. Passamaquoddy Tribe*, 599 F.2d 1061, 1065 n.5 (1st Cir. 1979); *Maynes v. Unkechaug Tribal Council*, No. 10-CV-3989(JS)(ETB), 2011 WL 43478, at *3 (E.D.N.Y. Jan. 5, 2011); *Gristede's Foods, Inc. v. Unkechauge Nation*, 660 F. Supp. 2d 442, 465 (E.D.N.Y. 2009).

²⁷³ *Bottomly*, 599 F.2d at 1066; see *Haile v. Saunooke*, 148 F. Supp. 604, 607 (W.D.N.C. 1957).

²⁷⁴ *Burrell*, 456 F.3d at 1174; *Kaul v. Battese*, No. 03-4203-SAC, 2004 WL 1732309, at *2 (D. Kan. Jul. 27, 2004); *E.F.W. v. St. Stephen's Mission Indian High Sch.*, 51 F. Supp. 2d 1217, 1230 (D. Wyo. 1999), *aff'd*, 264 F.3d 1297 (10th Cir. 2001) (if, however, a tribal police officer is cross-deputized as a state officer and is acting in that capacity at the time of the incident, the officer may be sued under section 1983); see *Bressi v. Ford*, 575 F.3d 891, 896-97 (9th Cir. 2009).

²⁷⁵ *Atkinson v. Haldane*, 569 P.2d 151, 175 (Alaska 1977); see *Boe v. Fort Belknap Indian Cmty. of Fort Belknap Reservation*, 455 F. Supp. 462, 463 (D. Mont. 1978).

²⁷⁶ *Walton v. Pueblo*, 443 F.3d 1274, 1279 (10th Cir. 2006); *Wilson v. Turtle Mountain Band of Chippewa Indians*, 459 F. Supp. 366, 368-69 (D.N.D. 1978).

²⁷⁷ *Sanderlin v. Seminole Tribe of Fla.*, 243 F.3d 1282, 1285-86 (11th Cir. 2001).

²⁷⁸ *Cherokee Nation v. Georgia*, 30 U.S. (5 Pet.) 1, 2 (1831).

²⁷⁹ *Babcock*, *supra* note 180, at 449.

²⁸⁰ *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 758 (1998).

²⁸¹ *Id.*

²⁸² *Id.* (explaining that "[t]hese considerations might suggest a need to abrogate tribal immunity").

beyond tribal self-governance and internal affairs.²⁸³ Nonetheless, the Court has declined to revisit case law and defers to Congress to weigh and accommodate the competing policy interests.²⁸⁴

Indian tribes in the United States do not enjoy absolute sovereign immunity. Few limitations have been placed on the scope sovereign immunity of tribes. Still, Indian tribes have a broader immunity than is recognized for other sovereigns.²⁸⁵

IV. THE LIGHT: *LEWIS V. CLARKE*

Recently, the Supreme Court determined a promising case, standing for the proposition that tribal immunity is no greater than that of the states.²⁸⁶ The Supreme Court held that tribal sovereign immunity is not applicable when the tribe is not the “real party in interest.”²⁸⁷ In *Lewis v. Clarke*, a tribal employee, during the course of his employment, rear-ended the plaintiffs’ vehicle outside reservation land, and suit ensued.²⁸⁸ The Court determined that tribal immunity did not protect the tribal employee because the remedy that the plaintiffs sought—money damages—did not “affect the Tribe’s ability to govern itself independently.”²⁸⁹ Sovereign immunity did not bar the suit, despite the fact that the tort was committed during the scope of the employee’s employment, and for which the tribe had indemnified the employee.²⁹⁰ The court reasoned that sovereign immunity does not extend to suits against tribal employees where the employee, rather than the tribe, is the “real party in interest.”²⁹¹

In *Lewis*, the Supreme Court draws a distinction between “individual- and official-capacity suits.”²⁹² Justice Sotomayor noted that there is a readily discernible difference between the two: suits in an official capacity seek only nominal relief against the official and actually seek relief against the official’s office, thus the sovereign itself; suits in an individual capacity seek relief only against the individual, and there is no recovery from the sovereign.²⁹³ When re-

²⁸³ *Id.* Tribal businesses include gambling, ski resorts, and cigarette sales to non-Indians. *See Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 47 (1996); *Okla. Tax Comm’n v. Citizen Band Potawatomi Tribe of Okla.*, 498 U.S. 505, 507 (1991); *Mescalero Apache Tribe v. Jones*, 411 U.S. 145, 146 (1973); *see also* Lynn Armitage, *2016 Hot List: Native Businesses*, INDIAN COUNTRY TODAY (July 25, 2016), <https://indiancountrymedianetwork.com/news/business/2016-hot-list-native-businesses/> [https://perma.cc/K8ZY-5VP2].

²⁸⁴ *Kiowa*, 523 U.S. at 758.

²⁸⁵ McLish, *supra* note 5, at 180.

²⁸⁶ *Lewis v. Clarke*, 137 S. Ct. 1285, 1293 (2017).

²⁸⁷ *Id.* at 1289.

²⁸⁸ *Id.* at 1290.

²⁸⁹ *Id.*

²⁹⁰ *Id.* at 1292.

²⁹¹ *Id.* at 1291.

²⁹² *Id.* at 1292.

²⁹³ The Court explained that when sued in an official capacity, individuals who leave office are automatically replaced in the litigation by their successors. *Id.* at 1292; *see Will v. Mich.*

lief is in fact sought from the sovereign, the sovereign is the real party in interest.²⁹⁴ Only those suits in an official capacity were subject to the protections of sovereign immunity.²⁹⁵

In lawsuits against state and federal employees, precedent requires looking to the real party in interest to determine whether sovereign immunity bars the suit.²⁹⁶ To make such a determination, the courts must look beyond what is characterized in the complaint and ascertain “whether the remedy sought is truly against the sovereign.”²⁹⁷ The “real party in interest” reasoning allows for arms and instrumentalities of the state to also enjoy the state’s Eleventh Amendment immunity.²⁹⁸ As such, suits against employees in their official capacity generally “represent only another way of pleading an action against an entity of which an officer is an agent.”²⁹⁹

Similarly, corporations and commercial entities enjoy the tribe’s immunity if the commercial entity is an “arm of the tribe.”³⁰⁰ To determine whether the commercial entity is an arm of the tribe, courts consider several factors, such as the manner in which the commercial entity was created, its purpose, how the entity is being funded and controlled, what resources the entity uses and man-

Dep’t of State Police, 491 U.S. 58, 71 (1989); *Dugan v. Rank*, 372 U.S. 609, 620, 622 (1963).

²⁹⁴ *Lewis*, 137 S. Ct. at 1292.

²⁹⁵ *Id.*

²⁹⁶ *Id.*; see *Hafer v. Melo*, 502 U.S. 21, 29–30 (1991) (holding that state officials may be sued for money damages in their individual capacity because the Eleventh Amendment did not bar such suits).

²⁹⁷ *Lewis*, 137 S. Ct. at 1291; see *Hafer*, 502 U.S. at 25–27 (“Personal-capacity suits, on the other hand, seek to impose individual liability upon a government officer for actions taken under color of state law. . . . [O]fficers sued in their personal capacity come to court as individuals.”); *Edelman v. Jordan*, 415 U.S. 651, 663–65 (1974); *Bivens v. Six Unknown Named Agents of Fed. Bureau of Narcotics*, 403 U.S. 388 (1971); *Larson v. Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 687 (1949) (holding the judgement “will not require action by the sovereign or disturb the sovereign’s property”).

²⁹⁸ *Regents of Univ. of Cal. v. Doe*, 519 U.S. 425, 429–30 (1997) (quoting *Ford Motor Co. v. Dep’t of Treasury*, 323 U.S. 459, 464 (1945)) (“[W]hen the action is in essence one for the recovery of money from the state, the state is the real, substantial party in interest and is entitled to invoke its sovereign immunity from suit even though individual officials are nominal defendants.”).

²⁹⁹ *Lewis*, 137 S. Ct. at 1292 (2017) (quoting *Kentucky v. Graham*, 473 U.S. 159, 165–66 (1985)); *Kentucky v. Graham*, 473 U.S. 159, 165–66 (1985) (quoting *Monell v. Dep’t of Soc. Servs.*, 436 U.S. 658, 690 n.55 (1978)) (“Personal-capacity suits seek to impose personal liability upon a government official for actions he takes under color of state law. Official-capacity suits, in contrast, ‘generally represent only another way of pleading an action against an entity of which an officer is an agent.’”) (citation omitted); *Scheuer v. Rhodes*, 416 U.S. 232, 238 (1974); *Monell*, 436 U.S. at 690 n.55.

³⁰⁰ *Cook v. Avi Casino Enters.*, 548 F.3d 718, 725–26 (9th Cir. 2008); *Allen v. Gold Country Casino*, 464 F.3d 1044, 1047 (9th Cir. 2006); *Ninegret Dev. Corp. v. Narragansett Indian Wetuomuck Hous. Auth.*, 207 F.3d 21, 29 (1st Cir. 2000); *Oklahoma ex rel. Edmondson v. Native Wholesale Supply*, 237 P.3d 199, 210 (Okla. 2010) (denying sovereign status to an Indian corporation); *Ransom v. St. Regis Mohawk Educ. Cmty. Fund, Inc.*, 658 N.E.2d 989, 992–93 (N.Y. 1995).

ages, what authority the tribe maintains in hiring and firing employees, and whether suit against the commercial entity impacts the tribe's fiscal resources.³⁰¹

The Court in *Lewis* found no reason to depart from these established rules when considering cases involving sovereign immunity.³⁰² The Court employed the "real party in interest" reasoning and focused its sovereign immunity analysis on the remedy sought.³⁰³ The Court identified the employee as the real party in interest because the damages sought were only against him.³⁰⁴ The tribe was not implicated whatsoever.³⁰⁵ As precedent points out, if the defendant in *Lewis* were a state employee, rather than a tribal employee, the case would be an individual one, and the defendant would not be afforded the protections of the state's immunity.³⁰⁶ The court stated that there is no reason that the sovereign immunity rules should differ between states and tribes.³⁰⁷ Logically then, the tribe's immunity could not extend to the defendant in *Lewis* because he was sued in an individual capacity, although the tort committed was within the scope of his employment and he was indemnified by the tribe.³⁰⁸ The Court's reliance on these rules to make its determination did not abrogate the tribe's immunity.³⁰⁹ The tribe's immunity is clearly not at play in this case.

The court noted that tribal immunity should not extend to protect the employee simply because the tort occurred within the scope of his employment.³¹⁰ Doing so would allow sovereign immunity to extend beyond that which is necessary for the tribe to govern itself.³¹¹ To broaden the scope of tribal immunity

³⁰¹ See *Breakthrough Mgt. Group, Inc. v. Chukchansi Gold Casino & Resort*, 629 F.3d 1173, 1181 (10th Cir. 2010) (granting immunity); *Native Am. Distrib. v. Seneca-Cayuga Tobacco Co.*, 546 F.3d 1288, 1293–95 (10th Cir. 2008) (granting immunity); *Cook*, 548 F.3d at 726 (granting immunity); *Runyon v. Ass'n of Vill. Council Presidents*, 84 P.3d 437, 440–41 (Alaska 2004) (denying immunity).

³⁰² *Lewis*, 137 S. Ct. at 1292.

³⁰³ *Id.*; see *Ex parte New York*, 256 U.S. 490, 500 (1921) (explaining that court should look to the "essential nature and effect of the proceeding, as it appears from the entire record" because more than the mere names of the parties on the complaint is needed to determine who is the real party in interest); *In re Ayers*, 123 U.S. 443, 488 (1887) (quoting *Osborn v. Bank of the United States*, 22 U.S. (9 Wheat.) 738, 858 (1824)) (finding the key question is "whether they are to be considered as having a real interest, or as being only nominal parties."); see also *Hagood v. Southern*, 117 U.S. 52, 67 (1886); *Louisiana v. Jumel*, 107 U.S. 711, 720 (1883).

³⁰⁴ *Lewis*, 137 S. Ct. at 1292.

³⁰⁵ *Id.*

³⁰⁶ *Morgan v. Colo. River Indian Tribe*, 443 P.2d 421, 424 n.1 (Ariz. 1968).

³⁰⁷ *Lewis*, 137 S. Ct. at 1293.

³⁰⁸ *Id.* at 1292–93.

³⁰⁹ *Id.* at 1293.

³¹⁰ *Id.* at 1292.

³¹¹ *Id.* at 1292–93; see *Montana v. United States*, 450 U.S. 544, 564 (1981) (holding that the "exercise of tribal power beyond what is necessary to protect tribal self-government or to control internal relations is inconsistent with the dependent status of the tribes, and so cannot survive without express congressional delegation.").

and extend it to tribal employees is against the common law principles that established state, federal, and foreign sovereign immunity.³¹² Accordingly, relying on the established principles underlying state sovereign immunity, the Court concluded that tribal immunity does not bar suits against the employee in his individual capacity.³¹³

Justice Thomas and Justice Ginsburg concurred separately, arguing that the case should have been decided on simpler grounds.³¹⁴ Justice Thomas maintains the view that tribal immunity should not bar suits against the employee simply because the activities giving rise to the cause of action occurred beyond the tribe's territory.³¹⁵ Further, the acts giving rise to the suit were commercial and not in furtherance of the tribe's governance or internal affairs.³¹⁶ Justice Ginsburg's argument is akin to that of Justice Thomas, except that she also suggests that tribes that interact with nontribal members beyond the tribe's territory "should be subject to nondiscriminatory state laws of general application."³¹⁷

V. TRIBAL IMMUNITY VERSUS STATE, FEDERAL, AND FOREIGN SOVEREIGN IMMUNITY

There are notable differences between the sovereign immunity that tribes enjoy and the immunity that states, the federal government, and foreign nations enjoy. The protections of tribal immunity are considerably broader than the protections afforded to states, the federal government, and foreign nations.

There are two significant limitations to state, federal, and foreign sovereign immunity that tribal immunity is not subjected to. Admittedly, it is argued that such differences in the scope of tribal immunity are justified because tribes are of a higher status than states, and that their immunity is not derived from the Constitution; rather, tribes have this inherent authority and immunity. However, this argument is insufficient to support the differences in scope between the immunity enjoyed by sovereigns. A comparison between the immunity enjoyed by the state, the federal government, foreign nations, and tribes will demonstrate the need to limit the scope of tribal immunity.

It is significant to note that foreign nations and tribal immunities are both similar in one respect—their power is inherent because they are sovereigns, un-

³¹² *Lewis*, 137 S. Ct. at 1292–93.

³¹³ *Id.* The Court also determined that an indemnification provision is insufficient to extend tribal immunity to individual employees who would otherwise not be protected by tribal immunity. *Id.* at 1293. The relevant question in the case was what party would be legally bound by an adverse decision, not the party from whom relief is sought. *Id.* at 1293–94. As such, the indemnification provision does not turn the suit against the employee into a suit against the tribe. *Id.* at 1294.

³¹⁴ *Id.* at 1295 (Thomas, J., concurring); *id.* at 1295–96 (Ginsburg, J., concurring).

³¹⁵ *Id.* at 1295 (Thomas, J., concurring).

³¹⁶ *Id.*

³¹⁷ *Id.* (Ginsburg, J., concurring).

like the states' power that is derived from the Eleventh Amendment.³¹⁸ Sovereign immunity of foreign sovereigns, federal courts, and tribes because it comes from agreements between the sovereigns and comity.³¹⁹ It follows logically then, that tribes should be treated no different. A foreign nation's immunity is grounded in international comity and respect so as to not disrupt the amicable relations between nations.³²⁰

A. Commercial Activities

The first important difference between the immunity enjoyed by states, federal government, foreign nations, and tribes is the distinction of the nature of the sovereign's activities. The sovereign immunity that states, the federal government, and foreign sovereigns enjoy make a distinction between the sovereign's governmental acts and its proprietary acts, of which only the former enjoys immunity from suit.³²¹

In contrast, tribes are not subject to suit in United States courts even if they engage in commercial activities giving rise to the cause of action.³²² There are no such exceptions to the applicability of tribal immunity. Tribal business enterprises enjoy the protections of tribal immunity by default, unlike federal corporations which require Congress' approval.³²³ Tribes are not subject to suit even when their commercial activities cause a direct effect on the United States, as foreign sovereigns are subjected under the FSIA.³²⁴ Tribes' commercial activities are no different. In fact, it is immaterial whether a tribe's actions are commercial or governmental, or whether their acts cause a direct effect on the United States.

Tribes, however, enjoy close to absolute immunity. They are protected from suit in United States courts for their proprietary and commercial actions, whether the acts at issue have any relation to their ability to self-govern or re-

³¹⁸ The Eleventh Amendment provides that "[t]he 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." U.S. CONST. amend. XI; *Hans v. Louisiana*, 134 U.S. 1, 5 (1890).

³¹⁹ McLish, *supra* note 5, at 177.

³²⁰ *Id.* at 176.

³²¹ 28 U.S.C. § 1605(a)(2) (2012); McLish, *supra* note 5, at 175.

³²² *Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024, 2028 (2014) (holding tribal sovereign immunity barred a suit arising out of activities which occurred off reservation); *Okla. Tax Comm'n v. Citizen Band of Potawatomi Tribe of Okla.*, 498 U.S. 505, 511 (1991) (recognizing sovereign immunity in a suit over cigarette sale taxation); *Puyallup Tribe, Inc. v. Dep't of Game*, 433 U.S. 165, 167–68 (1977) (recognizing that the tribe's claim of sovereign immunity was "well founded" without a discussion on the relevance of where the commercial activities giving rise to the suit took place).

³²³ McLish, *supra* note 5, at 176; *see also Keifer & Keifer v. Reconstruction Fin. Corp.*, 306 U.S. 381, 389 (1939) (holding that a federal corporation was not immune to suit, however "Congress may, of course, endow a governmental corporation with the government's immunity.").

³²⁴ 28 U.S.C. § 1605(a)(2) (2012).

late to their internal affairs.³²⁵ The rules for sovereign immunity should not differ depending on who the sovereign is—whether the sovereign is a state, a foreign nation or a tribe. When determining whether tribal immunity applies, courts should consider the nature of the act itself, rather than the sovereign's purpose for engaging in the act. Accordingly, a Tribe's immunity should be frequently waived, favoring an individual's right to sue.

B. Off-Reservation Activities

Indian tribes enjoy sovereign immunity from suits arising from acts occurring on- or off-reservation. Further, it is immaterial whether Tribes' commercial on-reservation activities directly affect the United States. Tribal sovereign immunity does not depend on the location of the act giving rise to the suit or the effect of the act on the United States.

Tribes and foreign sovereigns are not held to the same standards. Tribes should be subject to suit for acts occurring off-reservation and tribes should also be subject to suit for commercial acts occurring on-reservation that have a direct effect on the United States. No other sovereign enjoys a similar extent of immunity. FSIA subjects foreign sovereigns to suit in such circumstances.³²⁶ In a tribal immunity case, if the defendant had been a foreign sovereign it would be subject to suit. It is clear that there are significant differences between the immunity that other sovereigns enjoy and that which tribes enjoy, and there is no logical explanation why tribes enjoy a broader immunity. Tribes should not enjoy immunity from actions arising out of actions occurring off-reservation nor should they enjoy immunity from on-reservation activities that have a direct effect on the United States.

C. Tribal Immunity: Contrary to the Underlying Principles of Sovereign Immunity

The underlying principles of sovereign immunity do not justify the differences in scope. Sovereign immunity is rationalized as a benefit to society, because it prevents the public from suffering an inconvenience. The immunity that tribes enjoy is beyond what is necessary for the tribes' self-governance and internal affairs. Many tribes' commercial activities extend beyond what the tribes' governments need. Tribal immunity remains intact, despite the developments in our modern society and the tribes' involvement in sophisticated commercial transactions.

Admittedly, it is important that tribes are not under constant threat of suits. The constant threat of suits—or actually defending those suits—would drain tribes' resources. Additionally, it is important to protect tribes from the disrupt-

³²⁵ McLish, *supra* note 5, at 180.

³²⁶ See *supra* Section II.B.3.

tion of the administration of their government. Still, tribal immunity extends beyond the scope of the needs justifying sovereign immunity.

Tribal enterprises are proliferating and the inequities generated by unwarranted tribal immunity have multiplied. These enterprises extend beyond traditional tribal customs and activities. The Supreme Court in its previous decisions upholding tribal immunity has been unwilling to address the issue, relying on *stare decisis* to make its determination and deferring to Congress. The rationales underlying sovereign immunity, such as considerations of comity, and protection of tribal self-governance and tribal internal affairs, do not support extending tribal immunity to tribal commercial activities occurring off reservations and affecting the United States directly.

The previous Supreme Court rulings extending sovereign immunity beyond tribes' territory are unsupported. Adhering to the reasoning of state, federal, and foreign immunity would limit the scope of tribal immunity. The Court and Congress have failed to tailor tribal immunity to their numerous modern commercial enterprises. Justice Scalia's dissenting opinion in *Bay Mills Indian Community*, expounds the *Kiowa* decision; it criticizes the Court because, in Justice Scalia's opinion, the Court did not defer to Congress in its determination that immunity barred the suit; rather the Court, in upholding sovereign immunity, despite that the activities were commercial and off-reservation, created law.³²⁷ Indeed, the Court set forth precedent that barred suits against tribes and left plaintiffs to withstand the losses of being unable to seek relief for their otherwise actionable wrongs.

CONCLUSION

Justice Blackmun expressed that the tribal immunity doctrine "may well merit re-examination in an appropriate case."³²⁸ After the Supreme Court's decision in *Lewis v. Clarke*, it is clear that the sentiments that Justice Blackmun expressed years ago are still pertinent today. Moreover, the recent exploitation of tribal sovereign immunity warrants re-examination and supports Congress' need to restrict tribal immunity. Tribal immunity jurisprudence was in dire need of an opinion like *Lewis v. Clarke* to clarify the boundaries of tribal immunity and inspire Congress to abrogate the almost-absolute immunity that tribes enjoy.

The *Lewis* opinion sheds light on future tribal immunity decisions. Justice Blackmun and Justice Scalia were concerned with the use of tribal immunity as in the agreement between Allergan and the Saint Regis Mohawk Tribe.³²⁹ The

³²⁷ *Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024, 2045 (2014) (Scalia, J., dissenting).

³²⁸ *Puyallup Tribe, Inc. v. Dep't of Game*, 433 U.S. 165, 178–79 (1977) (Blackmun, J., concurring).

³²⁹ *Bay Mills Indian Cmty.*, 134 S. Ct. at 2045 (Scalia, J., dissenting); *Puyallup Tribe, Inc.*, 433 U.S. at 178–79 (Blackmun, J., concurring).

scope of tribal immunity is extending beyond what is necessary for tribes' self-governance and internal affairs. The immunity agreement may have aroused enough controversy, mandating Congress to act.

The Federal Circuit's decision in *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.* justly rejects the application of tribal immunity in IPR proceedings.³³⁰ Both the *Lewis* court and the Federal Circuit applied principles underlying state sovereign immunity to make a determination about the scope of tribal immunity.³³¹ Admittedly, the "contours of tribal sovereign immunity differ from those of state sovereign immunity," but case law regarding the application of state sovereign immunity is "instructive."³³²

The PTAB and the Federal Circuit correctly denied the Saint Regis Mohawk tribe's motion to dismiss for lack of jurisdiction based on sovereign immunity, and the Federal Circuit correctly affirmed the PTAB's decision.³³³ The Court's analysis in *Lewis* supports the PTAB's decision. First, the *Lewis* court clarified that tribal immunity should not extend beyond the scope of what is necessary to protect tribes' self-governance and internal affairs.³³⁴ The immunity agreement between Allergan and the Saint Regis Mohawk Tribe at issue before the PTAB was a commercial transaction, not at all related to the self-governance of the tribe or its internal affairs.³³⁵ The transaction was purely commercial—it was an extremely lucrative deal for both parties, resulting in billions in profit for the tribe and providing Allergan with exclusive rights to those patents.³³⁶ In fact, the Federal Court's ruling "is a setback for Allergan, which paid Saint Regis \$13.75 million [and \$15 million a year in royalties] . . . to take ownership of the patents."³³⁷ In *Lewis*, the Court emphasized "there is no reason" for the distinction in the immunity that states and tribes enjoy.³³⁸ As such, the Saint Regis Mohawk Tribe's commercial activities should not be afforded the protections of tribal immunity.

The Federal Circuit's decision, however, is narrow and does not resolve the issue. The Federal Circuit did not address Mylan's arguments that the Mohawk tribe's use of tribal immunity is an attempt to "market an exception" and that

³³⁰ *Saint Regis Mohawk Tribe v. Mylan Pharm., Inc.*, 896 F.3d 1322, 1329 (Fed. Cir. 2018).

³³¹ *Lewis v. Clarke*, 137 S. Ct. 1285, 1293 (2017); *Saint Regis Mohawk Tribe*, 896 F.3d at 1326.

³³² *Saint Regis Mohawk Tribe*, 896 F.3d at 1326.

³³³ *Id.* at 1325.

³³⁴ *Lewis*, 137 S. Ct. at 1292–93.

³³⁵ *Saint Regis Mohawk Tribe*, 896 F.3d at 1325.

³³⁶ Mathew Bultman, *Sens. Seek Investigation of Allergan's Patent Deal with Tribe*, LAW360 (Sept. 27, 2017, 6:58 PM), <https://www.law360.com/articles/968797/sens-seek-investigation-of-allergan-s-patent-deal-with-tribe> [<https://perma.cc/HL3H-UTFX>]; Dave Simpson, *Allergan, Tribe Want PTAB Immunity Denial Reheard En Banc*, LAW360 (Aug. 20, 2018, 9:59 PM), <https://www.law360.com/articles/1075198/allergan-tribe-want-ptab-immunity-denial-reheard-en-banc> [<https://perma.cc/3F3L-5ZV3>].

³³⁷ Simpson, *supra* note 336; *see also* Bultman, *supra* note 336.

³³⁸ *Lewis*, 137 S. Ct. at 1292.

the assignment was a “sham.”³³⁹ Now, Allergan and the Mohawk tribe are asking the Federal Circuit to reconsider its decision *en banc*.³⁴⁰ The Federal Circuit’s decision is correct in that sovereign immunity is not implicated where the federal government is acting through an agency. Nonetheless the decision unfortunately leaves us with unanswered questions. The contours of tribal immunity remain murky.

The agreement between Allergan and Saint Regis Mohawk Tribe directly affects the United States. This immunity agreement violated many individuals’ rights. If the PTAB had granted the tribe’s motion and upheld sovereign immunity, authors and inventors would be left to cover their losses. A blanket assertion of sovereign immunity deprives individuals of their right to seek relief for actionable wrongs. In the patent context, Authors and Inventors lose their right to seek a remedy and lose the incentive to continue to create beneficial works for society. If the assertion of immunity protected these patents, it is likely that more deals of this nature would become another enterprise for tribes. But at what cost is the United States protecting a sovereign? A blanket assertion of tribal immunity creates a gap between law and remedy.

Sovereign immunity is rationalized as a benefit to society, however, recent application of tribal immunity demonstrates that it is in fact hindering our society. Congress is conferred with the power to promote the progress of science by granting authors and inventors exclusive rights.³⁴¹ Congress also has the power to abrogate tribal immunity, although it has only done so in rare instances.³⁴² In such a case, Congress is failing to fulfill its duties—Congress fails to promote the progress of science and fails to abrogate tribal immunity when society is no longer benefiting.

Despite that Congress has limited the immunity that states, the federal government, and foreign nations enjoy, it has failed to do the same for tribal immunity. The bill Senator McCaskill has introduced is an optimistic start. It intends to abrogate tribal sovereign immunity in IPR proceedings.³⁴³ However, the bill is lacking greatly. When Allergan’s deal with the Mohawk tribe became public, it was clear that their clever scheme, the use of tribal immunity to protect business interests, is not constrained to patents, pharmaceutical companies, or IPR proceedings. The bill is limited to one proceeding and does not ade-

³³⁹ *Saint Regis Mohawk Tribe*, 896 F.3d at 1326.

³⁴⁰ Simpson, *supra* note 336. Seven states and two universities are also urging the Federal Circuit to reconsider its ruling *en banc* because the states and universities are afraid that the same analysis could be applied to state sovereign immunity. Ryan Davis, *States Back Tribe, Allergan Fed. Circ. Bid for PTAB Immunity*, LAW360 (Sept. 7, 2018, 7:51 PM), <https://www.law360.com/articles/1080924/states-back-tribe-allergan-fed-circ-bid-for-ptab-immunity> [https://perma.cc/2XFP-NP4B].

³⁴¹ U.S. CONST. art. I, § 8, cl. 8.

³⁴² See *supra* Section III.B.

³⁴³ S. 1948, 115th Cong. (2017). The PTAB denied the assertion of tribal immunity in *Saint Regis Mohawk Tribe*, 896 F.3d at 1329. Still, the consideration of the bill is warranted.

quately address the exploitation of sovereign immunity in other proceedings.³⁴⁴ It also does not limit the use of tribal sovereign immunity in other commercial transactions. Shortly after Allergan announced its transfer to the Mohawk tribe, democratic senators urged a Senate committee to investigate the licensing deal.³⁴⁵ The senators expressed their concern—“[c]ompanies should not be allowed to pay states and tribes simply to invoke their sovereign immunity, and companies like Allergan should not be allowed to exploit sovereign immunity at the expense of patients.”³⁴⁶ Essentially, businesses—either to protect their patents or other business interests—are not prevented from “buying” immunity.

Therefore, I propose that Congress enact law to abrogate the sovereign immunity that tribes enjoy. Specifically, if Congress relies on the same precedent that has developed state, federal, and foreign sovereign immunity, logically it follows that tribal immunity should also differentiate between the proprietary, commercial acts, and governmental acts, and draw distinctions between actions on and off Indian reservations. Tribal immunity is based on the same underlying principles and it is completely absurd that no limitations have been placed on the scope of tribal immunity.

The clever immunity purchase is a wake-up call for Congress, exposing that tribal immunity is close to absolute. In *Lewis*, the Supreme Court made a distinction between the acts of tribes and the acts of tribal employees, which will influence future decisions.³⁴⁷ The distinction between commercial and governmental activities will significantly impact the scope of tribal immunity. Congress should impose the same limits that it imposes on states, the federal government, and foreign nations. Indeed, the Federal Circuit recognized “there are many parallels” between tribal immunity and state sovereign immunity.³⁴⁸ Recent decisions reveal that courts have become increasingly uncomfortable with the scope of tribal immunity.³⁴⁹ In fact, courts have acknowledged in tribal immunity cases that had the defendant “been a state or municipal government, the Federal Government, or a foreign nation, it would have been amenable to suit in either state or federal courts.”³⁵⁰ Still, Congress must unequivocally express its intent to abrogate tribal immunity.

Accordingly, Congress must take action and expressly abrogate the sovereign immunity of tribes when they engage in commercial activities or when they are engaged in activities off-reservation. Only those acts necessary for the sovereign to govern itself should be protected. Congress must correct the gap

³⁴⁴ S. 1948.

³⁴⁵ Bultman, *supra* note 336.

³⁴⁶ *Id.*

³⁴⁷ *Lewis v. Clarke*, 137 S. Ct. 1285, 1292 (2017).

³⁴⁸ *Saint Regis Mohawk Tribe*, 896 F.3d at 1329.

³⁴⁹ *Lewis*, 137 S. Ct. at 1294–95; *Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024, 2039 (2014); *Kiowa Tribe of Okla. v. Mfg. Techs, Inc.*, 523 U.S. 751, 758–60 (1998).

³⁵⁰ *Morgan v. Colo. River Indian Tribe*, 443 P.2d 421, 424 n.1 (Ariz. 1968) (citations omitted).

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between law and remedy that it has allowed to develop because “[t]he very essence of civil liberty certainly consists in the right of every individual to claim the protection of the laws, whenever he receives an injury.”³⁵¹

³⁵¹ *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 163 (1803).

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