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Joseph Scott Miller

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BRANDEIS’S IP FEDERALISM: THOUGHTS ON *ERIE* AT EIGHTY

*Joseph Scott Miller**

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“I have always regarded the [Erie] decision as one of the modern cornerstones of our federalism, expressing policies that profoundly touch the allocation of judicial power between the state and federal systems.”
— *Harlan the Younger*¹

I. INTRODUCTION

Like each of us, *Erie Railroad Co. v. Tompkins*² contains multitudes.³ Most pragmatically, “[u]nder the *Erie* doctrine, federal courts sitting in diversity apply state substantive law and federal procedural

* Professor, University of Georgia School of Law. © 2019 Joseph Scott Miller. With great thanks to those who organized and attended the Akron Law Review’s September 2018 “*Erie* at Eighty” event.

1. *Hanna v. Plumer*, 380 U.S. 460, 474 (1965) (Harlan, J., concurring). *See also* *Guar. Tr. Co. of N.Y. v. York*, 326 U.S. 99, 109–10 (1945):

Erie R. Co. v. Tompkins . . . expressed a policy that touches vitally the proper distribution of judicial power between State and federal courts . . . [and] has been applied with an eye alert to essentials in avoiding disregard of State law in diversity cases in the federal courts. A policy so important to our federalism must be kept free from entanglements with analytical or terminological niceties.

2. 304 U.S. 64 (1938).

3. *See* Walt Whitman, *Song of Myself*, in *LEAVES OF GRASS* 29, (David McKay ed., 1891) (“Do I contradict myself? | Very well then I contradict myself, | (I am large, I contain multitudes.)”).

SYMPOSIUM, *ERIE* AT EIGHTY: CHOICE OF LAW ACROSS THE DISCIPLINES

law.”⁴ Parsing the substantive from the procedural “is sometimes a challenging endeavor,”⁵ to be sure, but the goal—identifying the rule of decision in state law—is clear. The *Erie* case holds, as a formal matter, that the state-law referent comprises not only a state’s statutory law, but also its decisional law (be the question local or general): So far as the Rules of Decision Act⁶ is concerned, “whether the law of the State shall be declared by its Legislature in a statute or by its highest court in a decision is not a matter of federal concern.”⁷ The *Erie* provocation, finally, “is about effectuating a policy of federalism”—about “allocat[ing] power] between federal courts and state courts, and federal law and state law.”⁸ It is that provocation that prompts me to explore, in the *Erie* context, our intellectual-property-law federalism.

The choice to propertize information, in the Anglo-American utilitarian tradition, is easy to explain: give a time-limited right to exclude others from competitive imitation to cut off at the pass an underproduction-of-ideas risk.⁹ Atop this foundation is a body of law that makes an especially fruitful ground for considering juridical federalism. First, the five modes of IP protection sit on a continuum from largely

4. *Gasperini v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 427 (1996). Also, where a federal court has supplemental jurisdiction over a state claim, see 28 U.S.C. § 1367 (2012), state law supplies the rule of decision. *See, e.g.*, *Felder v. Casey*, 487 U.S. 131, 151 (1988). Courts should, however, approach state law mindful of the presence of that primary federal claim. *See* Alexander Reinert, *Erie Step Zero*, 85 *FORDHAM L. REV.* 2341, 2367–76 (2017).

5. *Gasperini*, 518 U.S. at 427. An inquiry of this sort thoroughly fractured the Court, most recently, in *Shady Grove Orthopedic Assocs., P.A. v. Allstate Ins. Co.*, 559 U.S. 393 (2010).

6. Judiciary Act of 1789, ch. 20, § 34, 1 Stat. 73, 92 (1789) (codified as amended at 28 U.S.C. § 1652 (2012)).

7. *Erie*, 304 U.S. at 78. For a detailed analysis of the *Erie* case on its own stated grounds, by one of the decision’s most able defenders, see Ernest A. Young, *A General Defense of Erie Railroad Co. v. Tompkins*, 10 *J.L. ECON. & POL’Y* 17 (2013). For a bracing analysis from one of *Erie*’s most trenchant critics, see Suzanna Sherry, *Wrong, Out of Step, and Pernicious: Erie As the Worst Decision of All Time*, 39 *PEPP. L. REV.* 129 (2011). For an excellent contemporary middle path, see Caleb Nelson, *A Critical Guide to Erie Railroad Co. v. Tompkins*, 54 *WM. & MARY L. REV.* 921 (2013). All three pieces have helped me enormously in thinking about *Erie* more clearly.

8. Donald Earl Childress III, *Redeeming Erie: A Response to Suzanna Sherry*, 39 *PEPP. L. REV.* 155, 161 (2011); *see also* Young, *supra* note 7, at 20 (concluding that *Erie* embodies “the vision of limited federal lawmaking . . . in which the federal separation of powers reinforces federalism by limiting when federal lawmaking may displace state law.”).

9. *See* U.S. CONST. art. I, § 8, cl. 8. The propertization strategy for intangibles is discussed in hundreds of articles. To choose but one, see Amy Kapczynski, *The Cost of Price: Why and How to Get Beyond Intellectual Property Internalism*, 59 *UCLA L. REV.* 970, 974–75 (2012) (describing the strategy’s internal logic). For a general description of tangibles and intangibles, see Thomas W. Merrill, *The Property Strategy*, 160 *U. PA. L. REV.* 2061, 2062–63 (2012) (describing “property [a]s a distinctive strategy for determining how resources will be used and by whom,” in which “[s]pecific resources are assigned to designated persons who have unique prerogatives in dealing with the resource relative to all other persons in the relevant normative community.”).

national forms to largely state-law forms: Patent law is squarely at the national end, followed by copyright, then trademark, then trade secret, and finally the state-law right of publicity. Second, the judicial role in all five areas is, and has long been, significant: The statutes for these regimes are framed in terms as broad as they are spare, and the relevant agencies either lack the power to make substantive rules elaborating on the broad statutory text or simply don't exist.¹⁰ There is thus ample judicial activity to consider—both within and across the federal and state regimes.¹¹

Given the vertical and horizontal extensions of our legal institutions, fully exploring federalism for IP law would require analyzing *both* the differing roles of courts at the state and federal level *and* the differing roles of legislatures regarding courts at both levels. I do not attempt that complete mapping process in this essay. Even a casual observer of the last few decades of intellectual property law can readily see, however, that our IP federalism is not so much a set of separate spheres as it is a heartily swirled marble cake; a blending ensemble of principles and practices.¹² If we take *Erie* to envision crisply separated state and federal substantive law, IP law has not fulfilled that vision. If, however, we take *Erie* to envision genuinely polyarchic experimentation, with insights from local and national experiences redounding to benefit both state and federal law,¹³ IP law exemplifies that vision's possibilities.

As befits this commemoration of *Erie* at 80, I focus my attention on the part(s) that the judiciary plays in the matrix of legal institutions. My outlook on judicial role flows from my sense of what is special, in law, about case-by-case doctrinal development.¹⁴ Decisional law—a public,

10. Regarding the Patent & Trademark Office's inability to make substantive rules about core patent and core trademark statutory provisions, see Joseph Scott Miller, *Substance, Procedure, and the Divided Patent Power*, 63 ADMIN. L. REV. 31, 32–33 & n.8–9 (2011). On the Copyright Office's inability, see Andy Gass, *Considering Copyright Rulemaking: The Constitutional Question*, 27 BERKELEY TECH. L.J. 1047, 1052 (2012). There are, so far as I am aware, no state or federal agencies charged with a leading role in developing trade secret law or the right of publicity.

11. It is “an unappreciated reality of U.S. intellectual property law,” at least among those who spend little time with it, that “despite th[e] codification[s], courts continue to play an extremely important role in developing the law gradually.” Shyamkrishna Balganes, *Introduction: Exploring an Unlikely Connection*, in INTELLECTUAL PROPERTY AND THE COMMON LAW 1, 3 (Shyamkrishna Balganes ed., 2013). Every paper gathered in this volume rewards a close read; it is a wonderful collection.

12. It is, in other words, a “polyphonic” interactive federalism of the sort Professor Robert Schapiro describes. See Robert A. Schapiro, *Toward a Theory of Interactive Federalism*, 91 IOWA L. REV. 243, 252–54, 285–301 (2005); Robert A. Schapiro, *Interjurisdictional Enforcement of Rights in a Post-Erie World*, 46 WM. & MARY L. REV. 1399, 1402–06 (2005).

13. See Young, *supra* note 7, at 67–76, 113–21 (expressing a view congenial to my suggestion).

14. All the blunders and manglings are down to me, of course, but my take here draws inspiration from, among countless items, LON L. FULLER, *THE MORALITY OF LAW* (rev. ed. 1969)

written form of specialized justification for deploying public power—weaves together sources of customary and positive law. As courts adjudicate cases, they elaborate on their precedents' principles and construe and apply positive law from within this practice of reasoned justification. The resulting public explanations inform legislatures and citizens how law—as a conceptual system for self-governance, as well as a matrix within which to engage in private ordering—does (or does not) cohere. Similarly, as federal and state courts apply rules of decision within and across the federal-state marker, their public explanations inform judges and litigants how to justify different outcomes within that same conceptual system (our federalism included).

A core function of courts, then, is to play a public *dialogic* role in the legal system¹⁵ by means of their ongoing discursive practice within that system. It matters less, frankly, whether judges are finding law (as tribunes or oracles) or making law (as sources independent from legislatures).¹⁶ The key is that courts are, and forever will be, *discussing* law¹⁷—justifying law's dictates through reasoned elaboration in the

and multiple papers by Professor Gerald Postema. See, e.g., Gerald J. Postema, *Philosophy of the Common Law*, in THE OXFORD HANDBOOK OF JURISPRUDENCE AND PHILOSOPHY OF LAW 588 (Jules Coleman & Scott Shapiro eds., 2002).

15. See Martin H. Redish, *Reassessing the Allocation of Judicial Business Between State and Federal Courts: Federal Jurisdiction and "The Martian Chronicles"*, 78 VA. L. REV. 1769, 1772–73 (1992) (describing the benefits of "intersystemic cross-pollination" from federal and state judges deciding federal and state questions); Martin H. Redish, *Supreme Court Review of State Court "Federal" Decisions: A Study in Interactive Federalism*, 19 GA. L. REV. 861, 898 (1985) (describing some benefits of "inter-federal judicial dialogue").

16. For one lively depiction of the contrast, see Justice Holmes' dissent in *Black & White Taxicab & Transfer Co. v. Brown & Yellow Taxicab & Transfer Co.*, 276 U.S. 518, 532–36 (1928). Justices Brandeis and Stone, who help make the majority in *Erie*, both joined that Holmes dissent. *Id.* at 536. More generally, see Stephen E. Sachs, *Finding Law*, 107 CAL. L. REV. (forthcoming 2019).

17. See A.W.B. Simpson, *The Common Law and Legal Theory*, in OXFORD ESSAYS IN JURISPRUDENCE (SECOND SERIES) 77, 90 (A.W.B. Simpson ed., 1973):

Nor does the common law system admit the possibility of a court, however elevated, reaching a final, authoritative statement of what the law is in a general abstract sense. It is as if the system placed particular value upon dissension, obscurity, and the tentative character of the judicial utterances. As a system of legal thought the common law then is inherently vague; it is a feature of the system that uniquely authentic statements of the rules . . . cannot be made;

James Boyd White, *What's an Opinion For?*, 62 U. CHI. L. REV. 1363, 1367–68 (1995):

The judicial opinion is a claim of meaning: it describes the case, telling its story in a particular way; it explains or justifies the result; and in the process it connects the case with earlier cases, the particular facts with more general concerns. It translates the experience of the parties, and the languages in which they naturally speak of it, into the language of the law, which connects cases across time and space The opinion thus engages in the central conversation that is for us the law, a conversation that the opinion itself makes possible.

judges' official public decisions—with what one hopes are sufficient clarity and candor to make their decisions fit for purpose. It seems reasonable to suppose, moreover, that the more varied are the courts in which these discourses of justification take place, with differing stakes for the differing interwoven legal regimes,¹⁸ the greater will be the long-run benefit to the polity that these varied courts serve.¹⁹

Stepping into the past, I consider three major IP cases in Part II that provide a context for better understanding *Erie*. In part A, I explore a case from the mid-1800s that frames *Swift*, the case *Erie* overthrew. In part B I examine two cases that, like *Erie*, produced opinions from Justice Brandeis. One of these is a lone dissent from early in his Supreme Court tenure, and the other is a majority opinion from his last full year on the Court.²⁰ One prefigures *Erie*'s focus on the different roles that judges and legislatures should play in legal innovation, and the other reorients the post-*Erie* world to its next natural focus—the degree to which federal positive law has, in a given case, preempted state law. These two additional Brandeis opinions bracket *Erie* and help us understand it more deeply by providing a much richer context in which to read it.

II. *ERIE*'S IP CONTEXT

Erie states it plain: “There is no federal general common law.”²¹ The principle, *Erie* asserts, is constitutive: “Congress has no power to declare substantive rules of common law” as such,²² “[a]nd no clause in the

18. In *stare decisis* terms, there are higher stakes in a state court making precedent on state law than in a state court deciding a question of federal law, and higher stakes in a federal court making precedent on federal law than in a federal court deciding a question of state law. Of course, for the litigants involved in a case (e.g., a criminal defendant making a Fourth Amendment objection to state reliance on the fruits of a wrongful search), the decisional stakes may be quite high indeed.

19. Cf. *Abrams v. United States*, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting) (surmising “that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market . . .”). Justice Brandeis joined Justice Holmes in this dissent. *Id.* at 631.

20. Justice Brandeis joined the Court in June 1916 and retired in February 1939. THE OXFORD COMPANION TO THE SUPREME COURT OF THE UNITED STATES 1132 (Kermit L. Hall et. al. eds., 2d ed. 2005).

21. 304 U.S. 64, 78 (1938).

22. *Id.* In other words, “Congress may not confer a general common lawmaking power on the federal courts . . . [and] can declare only *statute* law, made through the Article I lawmaking process.” Young, *supra* note 7, at 69 (emphasis added). *But see* Craig Green, *Repressing Erie's Myth*, 96 CAL. L. REV. 595, 611–14 (2008) (critiquing this contention, in *Erie*, about congressional power's full formal reach).

Constitution purports to confer such a power upon the federal courts.”²³ Of course, in the instances where Congress has established a federal standard and given the federal courts a role in its application, the courts have hewn to that statutory standard. Those federal standards, moreover, can approach common-law-like generality,²⁴ or even expressly invoke the common law itself.²⁵ “[A]bsent some congressional authorization to formulate substantive rules of decision,” however, “federal common law exists only in such narrow areas as those concerned with the rights and obligations of the United States, interstate and international disputes implicating the conflicting rights of States or our relations with foreign nations, and admiralty cases.”²⁶

In rejecting the view that the diversity jurisdiction empowered the federal courts to freely formulate a general common law for their own use, *Erie* overruled the *bête noire* of those who sought greater room for state-law experimentation in social policy²⁷—the Court’s decision nearly a

23. *Erie*, 304 U.S. at 78. *See also* *City of Milwaukee v. Illinois & Michigan*, 451 U.S. 304, 312 (1981) (“Federal courts, unlike state courts, are not general common-law courts and do not possess a general power to develop and apply their own rules of decision.”).

24. *See, e.g.*, 15 U.S.C. § 1 (2012) (“Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal.”). *See also* *Leegin Creative Leather Prod., Inc. v. PSKS, Inc.*, 551 U.S. 877, 899 (2007) (“From the beginning the Court has treated the Sherman Act as a *common-law statute*.”) (emphasis added). For an incisive analysis of the very idea of a “common law statute,” see Margaret H. Lemos, *Interpretive Methodology and Delegations to Courts: Are “Common Law Statutes” Different?*, in *INTELLECTUAL PROPERTY AND THE COMMON LAW* 89 (Shyamkrishna Balganesh ed., 2013).

25. *See* FED. R. EVID. 501 (“The common law—as interpreted by United States courts in the light of reason and experience—governs a claim of privilege But in a civil case, state law governs privilege regarding a claim or defense for which state law supplies the rule of decision.”). Congress enacted the Federal Rules of Evidence as a free-standing statute in 1975. Act of Jan. 2, 1975, Pub. L. 93-595, 88 Stat. 1926.

26. *Texas Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630, 641 (1981) (footnotes omitted). *See generally* *Atherton v. F.D.I.C.*, 519 U.S. 213 (1997) (collecting and synthesizing cases in this line); *Sosa v. Alvarez-Machain*, 542 U.S. 692, 726 (2004) (summarizing this framework). For a lively tour of these areas, see Caleb Nelson, *The Persistence of General Law*, 106 COLUM. L. REV. 503, 507–18 (2006).

27. Justice Brandeis, *Erie*’s architect, was plainly such a person. *See, e.g.*, *New State Ice Co. v. Liebmann*, 285 U.S. 262, 311 (1932) (Brandeis, J., dissenting from the Court’s invalidation of a state business-licensing law):

Denial of the right to experiment may be fraught with serious consequences to the nation. It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.

See also THE BRANDEIS GUIDE TO THE MODERN WORLD 4 (Alfred Lief ed., 1941) (“The field for special effort should now be the state, the city, the village—and each should be led to seek to excel in something peculiar to it.”).

century earlier in *Swift v. Tyson*.²⁸ *Swift* and its federal-general-common-law progeny had, in the Fuller Court's hands, come to foster predatory forum shopping by large, monied corporations who sought ever more wealth-protective doctrines in a more sympathetic precinct—*i.e.*, the federal courthouse.²⁹ *Erie* was a sharp turn, recentering diversity cases on *state* law substance, both statutory and decisional, to deter unfair forum shopping within a single forum state.³⁰ “By eliminating federal general common law, *Erie* reduced the substantive significance of diversity jurisdiction, thereby deflating federal courts' reputation as antiprogressive lawmakers.”³¹ In that process, the Court pushed state common law conceptually closer to state statutory law.³² Questions about how to best to conceptualize the common law's character, in state or federal court, loom behind *Swift* and *Erie*. Indeed, in the early days of the Republic, the common law's federal-court status—especially as to criminal law—was a matter of heated dispute.³³ *Swift* shaped the common law's character in

28. 41 U.S. 1 (1842). It is right there in *Erie*'s opening line: “The question for decision is whether the oft-challenged doctrine of *Swift v. Tyson* shall now be disapproved.” *Erie R. Co. v. Tompkins*, 304 U.S. 64, 69 (1938) (footnote omitted).

29. See EDWARD A. PURCELL, JR., *BRANDEIS AND THE PROGRESSIVE CONSTITUTION: ERIE, THE JUDICIAL POWER, AND THE POLITICS OF THE FEDERAL COURTS IN TWENTIETH-CENTURY AMERICA* 39–63 (2000). Purcell describes Justice Brandeis's views:

Brandeis had long considered [*Swift*'s] doctrine legally unsound and socially divisive. He believed that it intruded on the law-making authority of the states, encouraged manipulative litigation tactics, and unfairly enhanced the litigation position of national corporations. . . . In 1930, writing for the Court, he openly expressed his doubts about *Swift*'s fundamental legitimacy. It was, he declared, “for the state courts to interpret and declare the law of the State.”

Id. at 101 (quoting *Brinkerhoff-Faris Tr. & Sav. Co. v. Hill*, 281 U.S. 673, 681 n.8 (1930)). See also JEFFREY ROSEN, LOUIS D. BRANDEIS: AMERICAN PROPHET 120 (2016) (“The fact that Brandeis was requiring federal judges to defer to more populist state court judges, whose decisions (at least in his time) were less likely to be sympathetic to big corporations, must have been, for Brandeis, icing on the cake.”).

30. *Erie*, 304 U.S. at 74–77.

31. Craig Green, *Can Erie Survive as Federal Common Law?*, 54 WM. & MARY L. REV. 813, 826 (2013).

32. See *Erie*, 304 U.S. at 79 & n.23 (embracing Justice Holmes' critiques of *Swift*, found in his dissents in the *Kuhn* and *Black & White Taxicab* cases). See also *Kuhn v. Fairmont Coal*, 215 U.S. 349, 372 (1910) (Holmes, J., dissenting):

[T]he law of the States . . . has been recognized by this court as issuing from the state courts as well as from the state legislatures. . . . The law of a State does not become something outside of the state court and independent of it by being called the common law. Whatever it is called, it is the law as declared by the state judges and nothing else.

33. See Anthony J. Bellia, Jr. & Bradford R. Clark, *General Law in Federal Court*, 54 WM. & MARY L. REV. 655, 664–72, 676–87 (2013); William A. Fletcher, *The General Common Law and Section 34 of the Judiciary Act of 1789: The Example of Marine Insurance*, 97 HARV. L. REV. 1513, 1517–38 (1984); Stewart Jay, *Origins of Federal Common Law: Part One*, 133 U. PA. L. REV. 1003

diversity cases. But it was not the Court's first civil case to opine on the common law's prospects as federal general law in federal courts. *That* was a federal *copyright* case.

A. *The 1830s and '40s*

It is banal to say, today, that “[f]ederal crimes are defined by Congress, not the courts.”³⁴ In 1790, however, it was far from clear whether federal courts could, as part of their inherent power, enforce a national common law of crimes. The Supreme Court ruled out that prospect in 1812. Specifically, in *United States v. Hudson*³⁵—an attempted prosecution for common-law seditious libel³⁶—the Court rejected the contention that federal courts “can exercise a common law jurisdiction in criminal cases.”³⁷ A court has the inherent power to insist on party decorum and adherence to its orders, *i.e.*, to “fine for contempt” and “imprison for contumacy.”³⁸ A freestanding federal criminal prohibition, by contrast, would have to come from Congress: “The *legislative authority* of the Union *must first* make an act a crime, affix a punishment to it, and declare the Court that shall have jurisdiction of the offence.”³⁹ At least with respect to criminal law, the Union’s legislative authority could reach what its judicial authority could not, unaided, grasp.

What, then, of civil matters? Eight years before *Swift*, the Court decided a copyright infringement case that raised the civil-claim

(1985) [hereinafter Jay, *Origins: Part One*]; Stewart Jay, *Origins of Federal Common Law: Part Two*, 133 U. PA. L. REV. 1231 (1985) [hereinafter Jay, *Origins: Part Two*].

34. *United States v. Lanier*, 520 U.S. 259, 267 n.6 (1997).

35. 11 U.S. 32 (1812).

36. *See* Jay, *Origins: Part One*, *supra* note 33, at 1013–15.

37. *See* *United States v. Hudson*, 11 U.S. at 34.

38. *Id.*

39. *Id.* (emphasis added). *See also* 1 JAMES KENT, COMMENTARIES ON AMERICAN LAW 314–15 (1826) (describing *Hudson*’s holding that, for the federal courts, “to exercise criminal jurisdiction in common-law cases was not within their implied powers, and it was necessary for congress to make the act a crime, to affix a punishment to it, and to declare the court which should have jurisdiction”). *Hudson* thus reflected the anti-Federalist Republicans’ “underlying concern, which was to deny that federal courts had been given a general common-law jurisdiction by the Constitution.” Jay, *Origins: Part Two*, *supra* note 33, at 1241. And the basic action-sequence there prescribed—Congress first, federal courts second—has since been generalized. *See Texas Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630, 640–41 (1981):

The vesting of jurisdiction in the federal courts does not in and of itself give rise to authority to formulate federal common law, nor does the existence of congressional authority under Art. I mean that federal courts are free to develop a common law to govern those areas until Congress acts.

(internal citation omitted); Young, *supra* note 7, at 19 (“*Erie* articulated a view of federal law as fundamentally interstitial in its nature . . .”).

counterpart to *Hudson*. In that case, *Wheaton v. Peters*,⁴⁰ the owners of purported statutory copyrights in twelve volumes of Supreme Court case reports, *Wheaton's Reports*, had sued the successor case reporter for duplicating the contents of *Wheaton's Reports* in a less expensive format.⁴¹ Wheaton sued in equity, seeking to enjoin further duplication of the offending books.⁴² The court's jurisdiction was original, not predicated on diversity.⁴³ As a formal matter, this case, like *Hudson* before it, raised no question about the formal scope of the Rules of Decision Act, which was (at that time) directed to "trials at common law."⁴⁴

Those of us who till the fields of IP law well know the *Wheaton* case for its holding "that no reporter has or can have any copyright in the written opinions delivered by this court; and that the judges thereof cannot confer on any reporter any such right."⁴⁵ This is a principle now codified, and expanded to all U.S.-government works, in the Copyright Act.⁴⁶ But

40. 33 U.S. 591 (1834).

41. See Craig Joyce, "A Curious Chapter in the History of Judicature": *Wheaton v. Peters and the Rest of the Story (of Copyright in the New Republic)*, 42 HOUS. L. REV. 325, 362–85 (2005). The proceedings in *Wheaton* were unusually colorful, and Professor Joyce tells the story masterfully.

42. *Id.* at 362–63 (describing Wheaton's bill in equity).

43. See Act of Feb. 15, 1819, ch. 19, 3 Stat. 481 (providing that "the circuit courts of the United States shall have original cognisance, as well in equity as at law, of all actions, suits, controversies, and cases, arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries") (codified as amended at 28 U.S.C. § 1338(a) (2012)).

44. Judiciary Act of 1789, ch. 20, § 34, 1 Stat. 73, 92 (1789). Congress did not enlarge the RDA to its current form, covering simply "civil actions," until the 1948 codification of what is now Title 28 of the *United States Code*. Act of June 25, 1948, ch. 646, Pub. L. No. 80–773, § 1652, 62 Stat. 869, 944. As for the pre-*Erie* era, as Professor Fletcher has explained:

[i]t was quite clear that section 34 itself did not require the federal courts to follow local state law when sitting in equity. Chief Justice Marshall, in a widely quoted comment, had remarked that he had always conceived "the technical term, 'trials at common law,'" of section 34 to apply "to suits at common law as contradistinguished from those which come before the court sitting as a court of equity or admiralty."

Fletcher, *supra* note 33, at 1529 (quoting *United States v. Burr*, 25 F. Cas. 187, 188 (C.C.D. Va. 1807) (No. 14,694) (ruling on preliminary motions in Aaron Burr's treason trial)).

45. *Wheaton v. Peters*, 33 U.S. 591, 668 (1834).

46. 17 U.S.C. § 101 (2012) (defining a "work of the United States Government" as "a work prepared by an officer or employee of the United States Government as part of that person's official duties"); 17 U.S.C. § 105 (2012) (providing that "[c]opyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise."). In *Banks v. Manchester*, the Court held that state judges similarly garnered no federal copyright in their official written decisions:

The question is one of public policy, and there has always been a judicial *consensus* . . . that no copyright could, under the statutes passed by congress, be secured in the products of the labor done by judicial officers in the discharge of their judicial duties. The whole work done by the judges constitutes the authentic exposition and interpretation of the law,

the case is also notable for its *Hudson*-like holding of judicial impotence to declare a freestanding federal general common law.

Wheaton's reporters contained not only the texts of cases, but also his originally authored supporting materials.⁴⁷ Given the arguable copyrightability of the supporting materials, and the need for more fact-finding, the Court passed on the parties' other contentions before remanding the case for trial. Wheaton contended both that the federal copyright act protected his rights because he fulfilled the prescribed formalities, and that, quite apart from the statute, common-law copyright protected him from Peters' piracy of the already-published volumes.⁴⁸ Peters contended both that Wheaton had not complied with all the statutorily prescribed formalities, and that Wheaton had no common-law rights in the published volumes,⁴⁹ rehearsing the trial court's conclusions in dismissing the complaint.⁵⁰

Peters prevailed on the law. The Court left open, for remand, the fact question whether Wheaton had complied with the statutory formalities.⁵¹ At the same time, though, the Court repudiated the claim to any common-law copyright, and in sweeping terms. First, although two prominent English cases—*Millar v. Taylor* and *Donaldson v. Becket*⁵²—supported the view that English common law (though *not* English statutory law) would recognize a claim like Wheaton's,⁵³ there was no *national common law in the U.S.* that did so. As Justice McClean explained:

It is clear, *there can be no common law of the United States*. The federal government is composed of twenty-four sovereign and independent states; each of which may have its local usages, customs and common

which, binding every citizen, is free for publication to all, whether it is a declaration of unwritten law, or an interpretation of a constitution or a statute.

128 U.S. 244, 253 (1888). And though there is no controlling Supreme Court case on the issue, the better view in the Courts of Appeals extends the principle to state legislation. *See* Code Revision Comm'n for Gen. Assembly of Georgia v. Public.Resource.Org, Inc., 906 F.3d 1229, 1238–55 (11th Cir. 2018) (collecting cases and applying the principle to reject Georgia's claim of federal copyright in the Georgia state code's official annotations).

47. Joyce, *supra* note 41, at 366.

48. *Id.* at 364–71.

49. *Id.* at 371–72.

50. *Id.* at 363–64.

51. *Id.* at 376.

52. The status of common-law copyright in England for published works circa 1770, and what *Donaldson v. Becket* did or did not hold in respect of it, is a matter of lively dispute among copyright scholars today—though far afield from my effort here. It suffices to observe that the *only* sound place for the interested reader to begin, should she want to explore the matter further, is the unrivaled treatment of the issues in H. Tomás Gómez-Arostegui, *Copyright at Common Law in 1774*, 47 CONN. L. REV. 1 (2014).

53. *Wheaton v. Peters*, 33 U.S. 591, 654–57 (1834).

law. There is *no principle which pervades the union and has the authority of law, that is not embodied in the constitution or laws of the union*. The common law could be made a part of our federal system, only by legislative adoption. When a common law right is asserted, we must look to the state in which the controversy originated.⁵⁴

In other words, “the United States as a whole never possessed any municipal common law of its own.”⁵⁵ The *Wheaton* rationale, though prompted by a copyright question, is a sweeping rejection of national common law.⁵⁶ Second, the Court concluded, there was also no common-law copyright in the published books as a matter of Pennsylvania state law.⁵⁷

This two-step analysis has a familiar positivist feel, proceeding sovereign by sovereign. In any event, as a result of the Court’s conclusions, *Wheaton*’s copyrights in the published volumes would have to be rooted in the federal copyright *statute* or they would not exist at all.⁵⁸ “*Wheaton* [thus] shows that *Hudson*’s restrictive view of the extent of federal common-law powers was transferred very early to the civil arena.”⁵⁹ Given how congenial *Wheaton*’s rationale would seem to be to *Erie*’s plain statement that “[t]here is no federal general common law,”⁶⁰ it is striking that *Erie* does not cite *Wheaton*.⁶¹ Indeed, I can find no

54. *Id.* at 658 (emphasis added); *See also* *Smith v. State of Alabama*, 124 U.S. 465, 478 (1888) (citing *Wheaton*):

There is no common law of the United States, in the sense of a national customary law, distinct from the common law of England, as adopted by the several states each for itself, applied as its local law, and subject to such alteration as may be provided by its own statutes.

See also *W. Union Tel. Co. v. Call Pub. Co.*, 181 U.S. 92, 101 (1901) (“There is no body of Federal common law separate and distinct from the common law existing in the several States in the sense that there is a body of statute law enacted by Congress separate and distinct from the body of statute law enacted by the several States.”).

55. *Bellia & Clark*, *supra* note 33, at 705.

56. *See id.* (recognizing the general force of this passage in *Wheaton*); *Fletcher*, *supra* note 33, at 1524–25 & n.48; *Young*, *supra* note 7, at 33–34, 43.

57. *Wheaton*, 33 U.S. at 658–61.

58. *Id.* at 662. *Cf.* *City of Milwaukee v. Illinois*, 451 U.S. 304, 312 (1981) (“Federal courts, unlike state courts, are not general common-law courts and do not possess a general power to develop and apply their own rules of decision.”).

59. *Jay, Origins: Part Two*, *supra* note 33, at 1300.

60. *Erie R. Co. v. Tompkins*, 304 U.S. 64, 78 (1938).

61. *See* Charles E. Clark, *State Law in the Federal Courts: The Brooding Omnipresence of Erie v. Tompkins*, 55 *YALE L.J.* 267, 273 n.24 (1946) (observing, of this sentence in *Erie*, “[t]his was not a new idea,” and quoting the key passage from *Wheaton* for comparison); Stephen E. Sachs, *Constitutional Backdrops*, 80 *GEO. WASH. L. REV.* 1813, 1882–83 (2012) (noting the similarity of *Wheaton*’s rationale to *Erie*’s); Note, *Clearfield: Crowded Field of Federal Common Law*, 53 *COLUM. L. REV.* 991, 995 n.24 (1953) (describing *Wheaton* as “the most emphatic denunciation of federal general common law prior to *Erie*”).

opinion by Justice Brandeis citing *Wheaton*—not even his solo dissent in the famed “hot news” misappropriation case, *International News Service v. Associated Press*⁶² (about which, more later).

*Swift v. Tyson*⁶³ arrived in 1842, 30 years after *Hudson* and eight years after *Wheaton*. The holding, which *Erie* would overthrow in 1938, is familiar: In a diversity case, despite the Rules of Decision Act, a federal court need not defer to the applicable state’s precedent(s) on a question of general commercial law.⁶⁴ The word *general* is key here. *Swift*’s rationale turns on a distinction between local law, which was the special province of the states, and general law, which was equally discernable to state and federal courts.⁶⁵ Explaining the scope of the Rules of Decision Act, Justice Story averred that “[i]t has never been supposed . . . that the [Act] did apply, or was designed to apply, to questions of a more *general* nature . . . for example, to the construction of ordinary contracts or other written instruments, and especially to questions of *general* commercial law”⁶⁶ A federal court, in a diversity case, was bound to follow “local statutes and local usages,” but not state-court decisions as “to contracts and other instruments of a commercial nature, the true interpretation and effect whereof are to be sought . . . in the *general* principles and doctrines of commercial jurisprudence.”⁶⁷ Moreover, in reaching its own judgment on a question of general commercial law by applying general principles, the *Swift* Court, or any federal court, was simply doing the same thing that New York’s courts had done: “Courts of New York do not found their decisions upon this point upon any *local* statute, or positive, fixed, or ancient *local* usage: but they deduce the doctrine from the *general* principles of commercial law.”⁶⁸ General commercial law was a shared

62. 248 U.S. 215, 248 (1918) (Brandeis, J., dissenting). Justice Holmes, unlike Brandeis, did rely on *Wheaton* on one occasion—namely, as authority for what he termed “the often repeated statement that there is no common law of the United States,” in his dissent in *S. Pac. Co. v. Jensen*, 244 U.S. 205, 221 (1917) (Holmes, J., dissenting). *Jensen*, which took an expansive view of federal admiralty jurisdiction in the teeth of an arguably applicable New York state workers’ compensation statute, is perhaps better known for Holmes’s statement that “[t]he common law is not a brooding omnipresence in the sky, but the articulate voice of some sovereign or quasi sovereign that can be identified.” *Id.* at 222. Brandeis joined Holmes’s *Jensen* dissent. *Id.* at 255.

63. 41 U.S. 1 (1842).

64. *Id.* at 18–19; *See also Erie*, 304 U.S. at 71 (describing *Swift*’s holding).

65. *See Bellia & Clark, supra* note 33, at 664–69, 687–93 (explaining the local/general distinction contemporaneous with *Swift*); Fletcher, *supra* note 33, at 1517–21; Nelson, *supra* note 7, at 925–29.

66. *Swift*, 41 U.S. at 18–19 (emphases added).

67. *Id.* at 19 (emphasis added).

68. *Id.* (emphases added); *see also id.* (“[S]tate tribunals are called upon to perform the like functions as ourselves, that is, to ascertain upon general reasoning and legal analogies . . . what is the just rule furnished by the principles of commercial law to govern the case”). Professor Young puts it

project of state and federal courts. The latter had no cause to defer to the former.

To a modern lawyer, the key working distinction is not between local and general law, but between state and federal law (whether that law be statutory or decisional). The commercial-law question in *Swift*—whether satisfaction of a pre-existing debt is valid consideration for signing over a bill of exchange⁶⁹—seems like a quintessentially common-law contract question.⁷⁰ How could a federal court disregard state common law when answering this question, especially given that, as *Wheaton* tells us, there is no national common law to use in its place? On the surface there is a tension here—at least, again, to a modern reader.⁷¹ It can seem, as Professor Nelson puts it, downright “baffling.”⁷² But Justice Story’s decision in *Swift* does not even mention, much less distinguish, *Wheaton*.⁷³ Why not? The simplest explanation seems the likeliest. For Story, the *Swift* case called for a federal judicial statement about *state* general commercial law, and nothing blocked the Supreme Court (or any federal court) from providing that statement.⁷⁴ *Wheaton*’s denial that there

this way: “Story did not derive the general law’s applicability in *Swift* from some categorical federal choice of law principle, but rather from the decision of the New York state courts to follow the general law in cases like *Swift*.” Young, *supra* note 7, at 36; *see also* Young, *supra* note 7, at 61 (“Story emphasized that the New York courts applied the general common law to commercial disputes”).

69. *Swift*, 41 U.S. at 16. For a clear, compact summary of *Swift*’s facts, it is hard to do better than Young, *supra* note 7, at 22–23.

70. *See generally* 3 WILLISTON ON CONTRACTS §§ 7:1–7:3, 7:8, 7:11 (4th ed.).

71. *See* Henry M. Hart, Jr., *The Business of the Supreme Court at the October Terms, 1937 and 1938*, 53 HARV. L. REV. 579, 607 & n.55 (1940) (noting, in a discussion of *Swift* and *Erie*, the tension between *Swift*’s rationale and *Wheaton*’s).

72. Nelson, *supra* note 7, at 929.

73. The lawyer for Tyson, who would win under direct application of the New York state cases, did urge the relevance of *Hudson*. *Swift*, 41 U.S. at 11. He did not, however, cite *Wheaton*.

74. *See* Hart, *supra* note 71, at 610 (“[T]he construction which *Swift v. Tyson* gave to [the Rules of Decision Act] . . . simply excluded state judicial decisions in matters of general law from the explicit mandate of [the Act] to follow state law”). Ignorance or forgetfulness may be simpler explanations on many occasions, but in this instance they are not. It strikes me as virtually impossible to believe that Justice Story ignored *Wheaton* in *Swift* from lack of awareness or recollection. Justice McLean, the author of *Wheaton v Peters*, 33 U.S. 591, 654 (1834), was on the Court for *Swift*. *See* 41 U.S. at viii (1842) (listing justices); Oxford Companion, *supra* note 20, at 1130 (listing dates in office). Justice Story, the author of *Swift*, was on the Court for *Wheaton*. 41 U.S. at 14; *See* 33 U.S. iii (1834) (listing justices); Oxford Companion, *supra* note 20, at 1130 (listing dates in office). Story was more than merely present for *Wheaton*, however, and the case must surely have left an indelible impression on him. First, Story was instrumental in the Supreme Court’s having hired Henry Wheaton, in 1815, as its third official reporter. Joyce, *supra* note 41, at 348–49. Wheaton then lived in the same Capitol Hill boarding house as the justices, “quickly becoming Story’s roommate or ‘chum.’” Joyce, *supra* note 41, at 350. The two also “assembled a common library for use while in Washington.” Joyce, *supra* note 41, at 350. In short, by the time Wheaton resigned the reporter post twelve years later, in 1827, the two men must have known each other quite well. Joyce, *supra* note 41, at 353. Second, in the *Wheaton* case itself, Story played a crucial role behind the scenes. The

was any *national* common law was simply irrelevant to *Swift*'s state-law question. Living, as we do, in the post-*Erie* world, where state decisional law is on a par with state statutory law and the local/general distinction within diversity cases has collapsed,⁷⁵ *Swift*'s failure to engage with *Wheaton* is downright perplexing. That perplexity is a sign of just how big a change *Erie* truly worked into our conception of the federal judicial role in cases that turn on state law. To understand *Erie*, one must understand *Swift*. To fully appreciate both, one should contextualize them with *Wheaton*.

B. *The 1920s and '30s*

Justice Brandeis, unlike some justices, is renowned for his concurrences and dissents more than for his majority opinions.⁷⁶ *Erie*, a majority opinion and his most consequential by far, is a contrast in that sense.⁷⁷ Two Brandeis intellectual-property-law opinions that bookend his career—one from his second full year on the Court (1918) and one from his last (1938)—fit the standard Brandeis pattern. The first is a lone dissent, and the second, albeit for a 7-2 majority, addresses a narrow question in just a few pages. Both deepen our understanding of *Erie* in noteworthy ways.

Court heard argument in *Wheaton*'s appeal over three days, March 11–14, 1834. Joyce, *supra* note 41, at 368. Four days after the argument, Story met privately with the litigants “to force a resolution of the controversy short of final decision.” Joyce, *supra* note 41, at 373 n.195. The events Professor Joyce describes are stunning:

Justice Story . . . summoned the Court's past and present Reporters to meet with him personally, in succession, in his chambers. Upon arriving, *Wheaton* was greeted by Story . . . and handed a memorandum that Story had been “authorized by the Court to communicate to [each of the litigants].” The memorandum, which Story likewise furnished to Peters, advised the parties that the decision of the Court, if handed down, would hold unanimously that no right of property did or could exist in the Justices' opinions and that they were without power to confer upon the Court's Reporters any copyright thereto. . . . *Wheaton* reacted angrily. Three weeks earlier, Peters had rejected his offer that “the whole Cause” be referred to arbitrators. . . . *Wheaton*'s formal reply to the Court . . . while restrained in tone, firmly insisted that “the merits of the Cause so fully & ably discussed” now be finally resolved. Left with no choice, the Court proceeded to do as *Wheaton* had demanded at its conference later the same day.

Joyce, *supra* note 41, at 373–74 (footnotes omitted). Though Story absented himself from the Court's announcement of its decision, having left Washington that morning “on the 8:00 a.m. stage,” he can hardly have forgotten the case, even eight years later. Joyce, *supra* note 41, at 376.

75. See Nelson, *supra* note 7, at 929–30.

76. Joel K. Goldstein & Charles A. Miller, *Brandeis: The Legacy of A Justice*, 100 MARQ. L. REV. 461, 462–63, 468–84 (2016).

77. *Id.* at 465, 493–94.

In *International News Service v. Associated Press*⁷⁸—or *INS v. AP*, as it is usually abbreviated—the Supreme Court established “misappropriation” as a new species of unfair competition.⁷⁹ In doing so, the Court was innovating. *INS*, though a diversity case⁸⁰ sapped of any formal legal force by *Erie*’s rejection of federal general common law,⁸¹ is the foundational case for the misappropriation doctrine.⁸² The Associated Press brought the case to stop its competitor wire service, the International News Service, from sending information that *INS* had copied from *AP*’s east-coast customers to *INS*’s own west-coast customers—who then published stories in competition with *AP*’s west-coast customers.⁸³ *AP* had no trade secret claim against *INS*. The information it copied and sent

78. 248 U.S. 215 (1918). The literature on *INS* is vast. To orient oneself among the case, the issues, and their aftermath, see Douglas G. Baird, *The Story of INS v. AP: Property, Natural Monopoly, and the Uneasy Legacy of a Concocted Controversy*, in INTELLECTUAL PROPERTY STORIES 9 (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds., 2006); Henry E. Smith, *Equitable Intellectual Property: What’s Wrong With Misappropriation?*, in INTELLECTUAL PROPERTY AND THE COMMON LAW 42 (Shyamkrishna Balganesh ed, 2013).

79. See *INS*, 248 U.S. at 242:

Regarding news matter as the mere material from which these two competing parties are endeavoring to make money, and treating it, therefore, as *quasi* property [as between them] for the purposes of their business because they are both selling it as such, defendant’s conduct differs from the ordinary case of unfair competition in trade principally in this that, instead of selling its own goods as those of complainant, it substitutes *misappropriation* in the place of misrepresentation, and sells complainant’s goods as its own. (second emphasis added).

80. *Id.* at 232–33.

81. See *Barclays Capital Inc. v. Theflyonthewall.com, Inc.*, 650 F.3d 876 (2d Cir. 2011) (“*INS* itself is no longer good law. Purporting to establish a principal of federal common law, the law established by *INS* was abolished by *Erie* . . .”).

82. See Restatement (Third) of Unfair Competition § 38 cmts. b, c (Am. Law Inst. 1995) (describing the misappropriation tort’s origin in *INS*). “Notwithstanding its longevity, the [*INS*] decision has had little enduring effect.” *Id.* at cmt. b. The case began in federal court in Manhattan, *Associated Press v. Int’l News Serv.*, 240 F. 983 (S.D.N.Y. 1917), and arrived at the Supreme Court on *certiorari* from the Second Circuit, 245 F. 244 (2d Cir. 1917). It is interesting, given the role of these New York federal courts in the case, that New York is effectively the only state with a working post-*Erie* misappropriation jurisprudence. See *E.J. Brooks Co. v. Cambridge Sec. Seals*, 31 N.Y.3d 441, 105 N.E.3d 301, 308 (N.Y. 2018) (describing New York misappropriation doctrine); *ITC Ltd. v. Punchgini, Inc.*, 9 N.Y.3d 467, 880 N.E.2d 852, 858–59 (N.Y. 2007) (same). The Second Circuit, as a consequence, has continued to elaborate on misappropriation, though now as a spokes-court for New York state law. See *Barclays Capital*, 650 F.3d at 893–906; *Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 848–54 (2d Cir. 1997). For recent scholarly accounts of the misappropriation doctrine, see Shyamkrishna Balganesh, “*Hot News*”: *The Enduring Myth of Property in News*, 111 COLUM. L. REV. 419 (2011); Jeffrey L. Harrison & Robyn Shelton, *Deconstructing and Reconstructing Hot News: Toward a Functional Approach*, 34 CARDOZO L. REV. 1649 (2013); Elaine Stoll, Note, *Hot News Misappropriation: More Than Nine Decades After INS v. AP, Still an Important Remedy for News Piracy*, 79 U. CIN. L. REV. 1239 (2011).

83. *INS*, 248 U.S. at 231, 238–39. The *AP* client newspapers had published the information in widely sold newspapers, as well as on publicly consulted billboards. *Id.* at 231.

was publicly available, as AP intended, and no contract between INS and AP blocked the practice.⁸⁴ AP had no copyright claim against INS. The copyright interest had not been perfected as federal law then required, and the underlying facts were not susceptible to copyright protection in any event.⁸⁵ AP had no conventional unfair competition claim against INS. INS had not sought to pass itself, or its communiqués, off as AP.⁸⁶ Failure to credit AP as the source of the information INS sent to its west-coast clients was a form of “false pretense” that “accentuat[ed] the wrong” INS committed, but was “not the essence of” that wrong.⁸⁷ None of the conventional categories readily applied.

What, then, *was* the wrong, exactly? What was the basis for enjoining INS from copying facts out of AP stories and sending the items to the west coast? The problem was, generally, one of “unfair competition in business”⁸⁸ inasmuch as the two wire services were competitors, and “[t]he question . . . [wa]s not so much the rights of either party as against the public but their rights as between themselves.”⁸⁹ The Court thus broke new common-law ground, extending unfair-competition liability to an

84. *Id.* at 233, 239.

85. *Id.* at 233–34.

86. *Id.* at 241–42. As the Court observed, an “attempt by defendant to palm off its goods as those of the complainant” is “characteristic of the most familiar, if not the most typical, cases of unfair competition.” *Id.* at 241. It was certainly the fact pattern with which the Court had a working familiarity. *See, e.g.,* Howe Scale Co. v. Wyckoff, Seamans & Benedict, 198 U.S. 118 (1905); Elgin Nat. Watch Co. v. Illinois Watch Case Co., 179 U.S. 665 (1901); Menendez v. Holt, 128 U.S. 514 (1888).

87. *INS*, 248 U.S. at 242. Justice Holmes, concurring in the judgment, concluded that this failure to credit *was* the essence of INS’s wrong against AP:

To produce such news as it is produced by the defendant [INS] represents by implication that it has been acquired by the defendant’s enterprise and at its expense. . . . The falsehood is a little more subtle, the injury a little more indirect, than in ordinary cases of unfair trade [*i.e.*, palming off], but I think that the principle that condemns the one condemns the other. It is a question of how strong an infusion of fraud is necessary to turn a flavor into a poison. The dose seems to me strong enough here to need a remedy from the law.

Id. at 247–48 (Holmes, J., concurring). As a result, Holmes concluded that “a suitable acknowledgment of the source”—proper credit—is all that [AP] can require.” *Id.* at 248. Of course, one must wonder whether, if INS *had* credited AP as its information source, AP would have accused INS of wrongly confusing consumers as to the source. *Cf. Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 36 (2003):

Another practical difficulty of adopting a special definition of ‘origin’ for communicative products is that it places the manufacturers of those products in a difficult position. On the one hand, they would face Lanham Act liability for failing to credit the creator of a work on which their lawful copies are based; and on the other hand they could face Lanham Act liability for crediting the creator if that should be regarded as implying the creator’s ‘sponsorship or approval’ of the copy, 15 U.S.C. § 1125(a)(1)(A).

88. *INS*, 248 U.S. at 235.

89. *Id.* at 236.

unusual, recalcitrant fact pattern.⁹⁰ The problem was a form of imitative competition that threatened the destruction of the wire-service market itself:

INS had admit[ted] that it is taking material that has been acquired by complainant as the result of organization and the expenditure of labor, skill, and money, and which is salable by complainant for money, and . . . is endeavoring to reap where it has not sown Stripped of all disguises, the process amounts to an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news.⁹¹

And the wire-service market could collapse, in turn, if the law provided no remedy to one otherwise forced to share its information crop with a second reaper: “one of the most obvious results of defendant's theory [is] that, by permitting indiscriminate publication by anybody and everybody for purposes of profit in competition with the news-gatherer, it would render publication profitless, or so little profitable as in effect to cut off the service by rendering the cost prohibitive in comparison with the return.”⁹² Market-destroying imitative competition is a natural target for IP-style legal regulation.⁹³

Brandeis, in *INS*, was having none of it.⁹⁴ It was *not* that he carried a brief for the *ethics* of *INS*'s commercial exploitation of the information that AP's clients had publicized (after underwriting its collection by AP).

90. See Restatement, *supra* note 82, at § 38 cmt. c:

The limited extent to which the *INS* rationale has been incorporated into the common law of the states indicates that the decision is properly viewed as a response to unusual circumstances rather than as a statement of generally applicable principles of common law. Many subsequent decisions have expressly limited the *INS* case to its facts.

91. *INS*, 248 U.S. at 239–40.

92. *Id.* at 241.

93. See generally Pamela Samuelson & Suzanne Scotchmer, *The Law and Economics of Reverse Engineering*, 111 YALE L.J. 1575, 1579, 1591–1607 (2002) (discussing examples). There is a loose family resemblance between the *INS* majority's rationale and the antitrust-law prohibition against below-cost predatory pricing that destroys competition by starving competitors of the customers that legitimate pricing would provide. See Leo J. Raskind, *The Misappropriation Doctrine As A Competitive Norm of Intellectual Property Law*, 75 MINN. L. REV. 875 (1991) (exploring this connection). On predatory pricing more generally, see Christopher R. Leslie, *Predatory Pricing and Recoupment*, 113 COLUM. L. REV. 1695 (2013); Lina M. Khan, Note, *Amazon's Antitrust Paradox*, 126 YALE L.J. 710 (2017).

94. *INS*, 248 U.S. at 248–267 (Brandeis, J., dissenting).

“The injustice of such action is,” he said, “obvious.”⁹⁵ Nor did he disagree that none of the established intellectual property or unfair competition doctrines were readily applicable to remedy that injustice. Indeed, he detailed with care the impotence of those doctrines against INS’s competitive strategy.⁹⁶ Nor, finally, did he disagree, *as a general matter*, with the salutary power of the common law to respond to new wrongs with proven remedies: “The unwritten law possesses capacity for growth; and has often satisfied new demands for justice by invoking analogies or by expanding a rule or principle.”⁹⁷ The problem, for Brandeis, was that the nature of INS’s wrong against AP, when viewed alongside the range of conflicting interests likely involved in any effective redress, opened a gulf too wide for a court to bridge by common-law means alone.⁹⁸

[W]ith the increasing complexity of society, the public interest tends to become omnipresent; and the problems presented by new demands for justice cease to be simple. Then the creation or recognition *by courts* of a new private right may work serious injury to the general public, unless the boundaries of the right are definitely established and wisely guarded. In order to reconcile the new private right with the public interest, it may be necessary to prescribe limitations and rules for its enjoyment; and also to provide administrative machinery for enforcing the rules. It is largely for this reason that, in the effort to meet the many new demands for justice incident to a rapidly changing civilization, resort to legislation has latterly been had with increasing frequency.⁹⁹

The conflict that AP’s case against INS brought to light was, emphatically, a job for a legislature, not a court.

After describing, with nuance, the suite of responses a legislature might frame in response to this new information-misappropriation problem—ranging from no remedy,¹⁰⁰ to a liability rule (with actual or with fixed damages),¹⁰¹ to a property rule encumbered by a right of access

95. *Id.* at 262. *See also id.* at 267 (“[T]he propriety of some remedy appears to be clear”).

96. *Id.* at 249–62 (reviewing legal theories and precedents, both U.S. and English).

97. *Id.* at 262.

98. *See id.* at 263:

The rule for which the plaintiff contends would effect an important extension of property rights and a corresponding curtailment of the free use of knowledge and of ideas; and the facts of this case admonish us of the danger involved in recognizing such a property right in news, without imposing upon news-gatherers corresponding obligations.

99. *Id.* at 262–63 (emphasis added).

100. *Id.* at 264 (“Legislators might conclude that it was impossible to put an end to the obvious injustice involved in such appropriation of news, without opening the door to other evils, greater than that sought to be remedied.”).

101. *Id.* at 266:

for a public-utility-like reasonable, nondiscriminatory rate¹⁰²—Brandeis concluded his analysis by pointedly described the judiciary’s institutional limitations this way:

Courts are *ill-equipped* to make the investigations which should precede a determination of the limitations which should be set upon any property right in news or of the circumstances under which news gathered by a private agency should be deemed affected with a public interest. Courts would be *powerless to prescribe* the detailed regulations essential to full enjoyment of the rights conferred or to introduce the machinery required for enforcement of such regulations.¹⁰³

Unable to establish the scope of the problem or the remedy, or to stand up the practical mechanism(s) that the remedy requires, a court should “decline to establish a new rule of law” even in the face of what is admittedly a newly-disclosed wrong.¹⁰⁴ The majority’s misstep was to leave the judicial lane.

Brandeis’s call for judicial modesty in *INS*—which was rooted in comparing different governing institutions’ competencies in responding to different social problems—effectively foreshadowed his insistence, in *Erie*, that federal courts are not authorized, relative to state courts and legislatures, to range freely over social problems in the name of “federal general common law.” In much the same way that *INS* “articulated his recognition of the limits of judicial capacity,” *Erie* “might be viewed as judicial recognition that the power of the federal judiciary was limited.”¹⁰⁵ His *INS* dissent thus lends considerable support to those who view *Erie* as a “principle of judicial federalism,” who urge a “judicial federalism theory of *Erie*.”¹⁰⁶ As Professor Mishkin put it, “[t]hat Congress may have

Or legislators dealing with the subject might conclude, that the right to news values should be protected to the extent of permitting recovery of damages for any unauthorized use, but that protection by injunction should be denied If a legislature concluded to recognize property in published news to the extent of permitting recovery at law, it might, with a view to making the remedy more certain and adequate, provide a fixed measure of damages, as in the case of copyright infringement.

102. *Id.* at 266–67.

103. *Id.* at 267 (emphases added).

104. *Id.* *Contra* *Marbury v. Madison*, 5 U.S. 137, 163 (1803) (“The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for the violation of a vested legal right.”); 3 WILLIAM BLACKSTONE, COMMENTARIES ON THE LAWS OF ENGLAND 109 (1768) (“[I]t is a settled and invariable principle in the laws of England that every right, when withheld, must have a remedy, and every injury it’s [sic] proper redress.”). For the record, I’m not throwing shade on Brandeis here, I’m throwing it on Marshall and Blackstone.

105. Goldstein & Miller, *supra* note 76, at 481, 493.

106. Young, *supra* note 7, at 67. Young sets forth the theory in detail, *id.* at 67–76.

constitutional power to make federal law displacing state substantive policy does *not* imply an equal range of power for federal judges. Principles related to the separation of powers impose an additional limit on the authority of federal courts to engage in lawmaking on their own (unauthorized by Congress).¹⁰⁷ Courts and legislatures have distinct powers, from which different roles flow. Brandeis's *INS* dissent draws the prudential version of this contrast between legislative and judicial competencies, in 1918. Then, the contrast's counsel attracted no vote but his own.

Then came *Erie* in 1937.¹⁰⁸ 'Nuf said, save one thing: As others have observed, by taking federal general common law off the table, *Erie* serves to highlight the fact that, at the margin, a holding that federal law preempts state law (whether statutory or decisional) can substitute for a rule of pre-*Erie* federal common law.¹⁰⁹ After *Erie*, then, the importance of

107. Paul J. Mishkin, *Some Further Last Words on Erie—The Thread*, 87 HARV. L. REV. 1682, 1683 (1974); see also *id.* at 1686-87 (“[T]he constitutional perception that [federal] courts are inappropriate makers of laws intruding upon the states’ views of social policy in the areas of state competence”). At around the same time, Professor Monaghan offered much the same take on *Erie*. See Henry P. Monaghan, *The Supreme Court, 1974 Term—Foreward: Constitutional Common Law*, 89 HARV. L. REV. 1, 11-12 (1975) (“*Erie* . . . recognizes that federal judicial power to displace state law is not coextensive with the scope of dormant congressional power. Rather, [a federal court] must point to some source, such as a statute, treaty, or constitutional provision, as authority for the creation of substantive federal law.”) (footnote omitted); Henry P. Monaghan, *Hart and Wechsler’s The Federal Courts and the Federal System*, 87 HARV. L. REV. 889, 892 (1974) (book review) (“*Erie* is, fundamentally, a limitation on the federal court’s power to displace state law absent some relevant constitutional or statutory mandate which neither the general language of article III nor the jurisdictional statute provides”).

108. 304 U.S. 64 (1938).

109. See, e.g., John C.P. Goldberg, *Benjamin Cardozo and the Death of the Common Law*, 34 Touro L. REV. 147, 151 (2018):

Mostly disabled from inviting federal judges to make general common law, defendants instead argue that federal law *simply bars* state courts from doing what they have been doing. And, starting with *New York Times v. Sullivan*, the Supreme Court has shown itself prepared to deem entire swaths of state tort law null and void, often in the name of protecting business interests.

(footnote omitted). Indeed, one can readily state the *Erie* holding itself in preemption terms: “*Erie* . . . hold[s], as a matter of constitutional law, that federal courts must apply state law—whether written or unwritten—unless such law is preempted by the Constitution, acts of Congress, or treaties.” Anthony J. Bellia Jr. & Bradford R. Clark, *General Law in Federal Court*, 54 WM. & MARY L. REV. 655, 659 (2013). More recent Supreme Court descriptions of federal common law, well after *Erie*, hew the preemption line. See *Texas Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630, 640 (1981):

There is, of course, no federal general common law. Nevertheless, the Court has recognized the need and authority in some limited areas to formulate what has come to be known as federal common law. These instances are few and restricted and fall into essentially two categories: those in which a federal rule of decision is necessary to protect uniquely federal interests, and those in which Congress has given the courts the power to develop substantive law.

determining whether federal law preempts state law (notwithstanding their generally concurrent jurisdiction over commercial regulation) comes into sharper focus.

Just seven months later, in one of his last opinions for the Court, *Kellogg Co. v. National Biscuit Co.*,¹¹⁰ Justice Brandeis kicked off the Court's modern preemption jurisprudence within intellectual property law.¹¹¹ The dispute, a diversity case, pitted state trademark law against federal patent law. And, despite its brevity, the decision touched on a broad array of trademark principles that continue to shape trademark doctrine.¹¹² In the *Erie* context, however, just two facets of *Kellogg* are germane.

The first is judicially enforced federal preemption of state law. For Brandeis, this is no *INS*; preemption is very much in the judicial lane. Nabisco (as National Biscuit Co. would later be known) sued Kellogg in Delaware federal court alleging state-law unfair competition claims.¹¹³ Kellogg was, according to Nabisco, deceiving breakfast-cereal consumers merely by “us[ing] . . . the name shredded wheat” and by “produc[ing] its biscuit in pillow-shaped form.”¹¹⁴ It was common ground that Nabisco did “not possess the exclusive right to make shredded wheat” cereal¹¹⁵; the utility and design patents that covered shredded wheat had long since gone out of force.¹¹⁶ The end of those federal patent rights sharply limited the

(internal quotations and citations omitted); See generally Ernest A. Young, *Preemption and Federal Common Law*, 83 NOTRE DAME L. REV. 1639 (2008).

110. 305 U.S. 111 (1938). Brandeis wrote only five decisions after *Kellogg*, all for Court majorities. See *State of Minnesota v. United States*, 305 U.S. 382 (1939); *Indianapolis Brewing Co. v. Liquor Control Comm'n of State of Michigan*, 305 U.S. 391 (1939); *Joseph S. Finch & Co. v. McKittrick*, 305 U.S. 395 (1939); *State of California v. Latimer*, 305 U.S. 255 (1938); *Gen. Talking Pictures Corp. v. W. Elec. Co.*, 305 U.S. 124 (1938).

111. That jurisprudence is large and continues to grow. For the major post-*Kellogg* cases see *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989); *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257 (1979); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974); *Goldstein v. California*, 412 U.S. 546 (1973); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Sperry v. State of Fla. ex rel. Fla. Bar*, 373 U.S. 379 (1963).

112. See generally Graeme B. Dinwoodie, *The Story of Kellogg Co. v. National Biscuit Co.: Breakfast With Brandeis*, in *INTELLECTUAL PROPERTY STORIES* 220 (Jane C. Ginsburg & Rochelle Cooper Drey-fuss eds. 2006).

113. *Kellogg*, 305 U.S. at 113.

114. *Id.*; see also *id.* at 116 (Nabisco “claims the exclusive right to the trade name ‘Shredded Wheat’ and the exclusive right to make shredded wheat biscuits pillow-shaped. It charges that the defendant, by using the name and shape, and otherwise, is passing off, or enabling others to pass off, Kellogg goods for those of the plaintiff.”). Nabisco did not present any evidence of actual consumer confusion about the source of Kellogg's cereal, and Kellogg's packaging readily distinguished its product from Nabisco's. *Id.* at 120–22.

115. *Id.* at 116.

116. *Id.* at 117–18, 119 & n.4.

reach of state remedies for unfair competition. Regarding the use of the name “shredded wheat,” the Court reasoned that descriptive use of the term “shredded” throughout the patents pertaining to the product carried the term into public use with the patents’ end: “there passed to the public upon the expiration of the patent, not only the right to make the article as it was made during the patent period, but also the right to apply thereto the name by which it had become known.”¹¹⁷ Similarly, regarding the use of the pillow shape for the biscuit, the Court reasoned that “upon expiration of the patents the form, as well as the name, was dedicated to the public.”¹¹⁸ In short, post-patent, “the name and form are integral parts of the goodwill of the article,” and “[t]o share fully in the goodwill”—which it was Kellogg’s right to do—“it must use the name and the pillow-shape.”¹¹⁹ The state-law cause of action for unfair competition withered in the shadow of the federal principles derived from the fact that U.S. patents *expire*.

The second noteworthy facet of *Kellogg* is the Court’s pronounced disinterest in confining itself to state-court articulations of unfair-competition law. Given the ultimate force of federal preemption in the case, greater interest in the details of the relevant state’s decisional law might have made little to no practical difference. Even so, the quick work Justice Brandeis made of the matter, in the first footnote in the case, takes me (at least) by surprise:

The federal jurisdiction rests on diversity of citizenship—National Biscuit Company being a New Jersey corporation and Kellogg Company a Delaware corporation. Most of the issues in the case involve questions of common law and hence are within the scope of *Erie R. Co. v. Tompkins*, 304 U.S. 64 (1938). But no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents.¹²⁰

Our old friend from *Swift*, the local v. general law distinction, has returned! Given the constitutional footing on which Brandeis put *Erie*’s rationale,¹²¹ one might have expected the Court to treat the choice between

117. *Id.* at 118.

118. *Id.* at 119–20.

119. *Id.* at 121. In the absence of consumer confusion as to source, the consumer benefit from competition in this product market is the usual one, *i.e.*, a lower quality-adjusted price.

120. *Id.* at 113 n.1.

121. *See Erie*, 304 U.S. at 77–78 (“If only a question of statutory construction were involved, we should not be prepared to abandon a doctrine so widely applied throughout nearly a century. But the unconstitutionality of the course pursued has now been made clear and compels us to do so.”) (footnote omitted).

federal and state law in a diversity case as a matter that the parties cannot waive (akin to the jurisdictional question of Article III standing). Moreover, in May 1938, just after *Erie* and six months before *Kellogg*, the Court vacated and remanded five cases on the ground that each required the application of state, not federal, common law.¹²² The Court might have been done the same in *Kellogg*; four years later, after all, the Court would vacate and remand a Third Circuit decision for the express purpose of ensuring that state trademark law supplied the rule of decision.¹²³ All the same, the applicability of ordinary waiver principles is hard to mistake in footnote 1 of *Kellogg*.¹²⁴ As a result, Brandeis could proceed to preemption and other issues.

INS foreshadows *Erie*'s rejection of *Swift*'s overreach. *Kellogg* turns our attention from *Erie* itself to the preemption questions that the new state-federal balance would foreground. The intense conflicts of dual federalism's separate spheres are gone. The low-grade conflicts of concurrent federalism are here to stay—in intellectual property law as much as in any other area.

III. CONCLUSION

As Professor Wiecek observed, “[t]he debate engendered by *Swift* and *Erie* will persist as the Court continues to define the contours of judicial federalism in the United States.”¹²⁵ Judicial and legislative

122. *Ruhlin v. New York Life Ins. Co.*, 304 U.S. 202, 205–09 (1938); *New York Life Ins. Co. v. Jackson*, 304 U.S. 261, 262 (1938); *Rosenthal v. New York Life Ins. Co.*, 304 U.S. 263, 264 (1938); *Hudson v. Moonier*, 304 U.S. 397, 398 (1938); *Mut. Ben., Health & Accident Ass'n v. Bowman*, 304 U.S. 549, 550 (1938).

123. *Pecheur Lozenge Co. v. Nat'l Candy Co.*, 315 U.S. 666, 667 (1942).

124. *See also Grupo Mexicano de Desarrollo S.A. v. All. Bond Fund, Inc.*, 527 U.S. 308, 318 n.3 (1999):

Although this is a diversity case, respondents' complaint sought the injunction pursuant to Rule 65, and the Second Circuit's decision was based on that rule and on federal equity principles. Petitioners argue for the first time before this Court that under *Erie R. Co. v. Tompkins*, 304 U.S. 64 (1938), the availability of this injunction under Rule 65 should be determined by the law of the forum State (in this case New York). Because this argument was neither raised nor considered below, we decline to consider it.

The U.S. Courts of Appeals also treat the *Erie* choice federal or state law as a waivable question. *See, e.g., Reading Health Sys. v. Bear Stearns & Co.*, 900 F.3d 87, 98 & n.48 (3d Cir. 2018); *McCleskey v. CWG Plastering, LLC*, 897 F.3d 899, 901 (7th Cir. 2018); *Edward Lewis Tobinick, MD v. Novella*, 848 F.3d 935, 943–44 (11th Cir. 2017). That conforms this choice-of-law question to the treatment of choice-of-law questions more generally. *See Williams v. BASF Catalysts LLC*, 765 F.3d 306, 316 (3d Cir. 2014) (“All U.S. Courts of Appeals to have addressed the issue have held that choice-of-law issues may be waived. . . . Our review of the law in this area convinces us that parties may waive choice-of-law issues.”).

125. William M. Wiecek, *Erie Railroad Co. v. Tompkins*, in *THE OXFORD COMPANION TO THE SUPREME COURT OF THE UNITED STATES* 301, 301 (2d ed., 2005).

engagements with IP law will continue to reflect and inform that debate, especially given that such cases now occupy a substantial, and growing, share of the Supreme Court's docket.¹²⁶ Courts, both state and federal, can best contribute to the ongoing elaboration of IP law in our federalist context by remaining independent voices, discussing the substantive interests and tradeoffs that IP law and policy reflect with as much depth and insight as they can muster, as challenging as that may be.¹²⁷ And as state and federal courts celebrate themselves, sing themselves, perhaps they will find that every IP atom belonging to one belongs just as well, in its own way, to the other.¹²⁸

126. See Joseph Scott Miller, *Which Supreme Court Cases Influenced Recent Supreme Court IP Decisions? A Case Study*, 21 UCLA J.L. & TECH. 1, 1–5 & figs. 1 & 2 (2017) (describing and charting the rise in Supreme Court IP cases from 1994 to 2017).

127. As Professor Baird observed, “[t]he common law judge reasons by analogy, and when a new kind of intellectual property dispute confronts him, he must search for analogies in a legal universe that, like all universes in which first principles dot the landscape, is so primitive and so unformed that it is hard to identify clear landmarks.” Douglas G. Baird, *Common Law Intellectual Property Law and the Legacy of International News Service v. Associated Press*, 50 U. CHI. L. REV. 411, 428 (1983).

128. See *Song of Myself*, *supra* note 3, at 29 (“I celebrate myself, | And what I assume you shall assume, | For every atom belonging to me as good belongs to you.”).