

A Constitutional Prescription for American Jobs

The United States stands on the verge of achieving an economic and technological renaissance through the reform and modernization of its patent laws. Although the current patent system is increasingly failing to meet the needs of our innovative community, a solution is within our grasp – the America Invents Act, H.R. 1249. This legislation, the result of more than six years of careful study and refinement by both Houses of Congress and following overwhelming bipartisan approval by the Senate and House Judiciary Committee, is now ready for consideration by the full House. By returning the United States to a first-inventor-to-file system and enacting other reform provisions, H.R. 1249 offers a more reliable and efficient patent system that will stimulate the invention of new technologies. These technologies will support the development and expansion of new industries employing millions of American workers and raising our standard of living.

While some who oppose H.R. 1249 have criticized its return to the first-inventor-to-file principle, this principle is well grounded in historical precedent, and is fundamental to reinvigorating the U.S. patent system. Indeed, these critics' questions are easily answered:

- Question: *“Is the first-inventor-to-file system consistent with the purposes behind the Intellectual Property Clause of the U.S. Constitution?”*

► Answer: Yes, as House Judiciary Chairman Smith has explained:

“As with any comprehensive reform package that involves a broad group of stakeholders and constituencies, there are always a few critics. These folks have questioned whether patent reform is constitutional. Well, let me answer that question directly – the America Invents Act is absolutely constitutional. The America Invents Act is not only constitutional, but it is based directly on the authority granted in Article 1, Section 8, Clause 8. It is, at its core, designed to return the American patent system to one that achieves the constitutional imperative of promoting the progress of science and the useful arts.” (Chairman Smith’s “Dear Colleague” letter of May 23, 2011)

- Question: *“Would granting a patent to the first-inventor-to-file constitute a radical change to U.S. patent law, overturning 220 years of practice?”*

► Answer: No. A first-inventor-to-file system was the original system adopted by the United States, and is the system now used throughout the rest of the world. The first patent law enacted by Congress in 1790, continued by the second patent act in 1793,

and for some forty-six years thereafter granted patents to the first inventor to file a patent application. Because of its widespread international use, about half of the patent applications now filed in the United States were originally filed in first-inventor-to-file jurisdictions, and nearly half of the remainder of U.S.-origin filings will later be filed in such jurisdictions.

● Question: *“Under the proposed ‘first-inventor-to-file’ system will it be possible for individuals who are not inventors to nonetheless obtain a U.S. patent by winning the race to the patent office?”*

► Answer: No, to be awarded a U.S. patent the applicant must still be the inventor of the invention claimed. Consistent with the power conferred on Congress by the Constitution to “promote the Progress of ... useful Arts, by securing for limited Times to ... Inventors the exclusive Right to their respective ... Discoveries,” only individuals who make inventions, i.e., inventors, may obtain a patent under H.R. 1249. Copiers and those who derived an invention from the actual inventor could not obtain a valid patent.

● Question: *“What if the inventor publicly discloses his or her invention before filing a patent application, and someone who learns of the invention from that disclosure races to the Patent Office and files a patent application before the inventor?”*

► Answer: The inventor will still be entitled to a patent on the invention even though not the first to file an application on it, provided the inventor files an application within one year of its first public disclosure. H.R. 1249 includes robust “grace period” provisions that allow such inventors to prevail over other applicants – even others who independently made the invention - who file their patent applications after the inventor has published or otherwise publically disclosed the invention.

● Question: *“Must there be only one inventor who discovers something not known before?”*

► Answer: No, the law has long recognized that two or more people may independently make an invention, and qualify as “inventors.” The difficulties begin, however, when such inventors file for a patent on the invention. To resolve which inventor will receive a patent, current U.S. patent law requires a complex, expensive “interference proceeding” in which proofs of dates of “conception,” “reduction to practice,” “diligence,” and whether either inventor has “abandoned, suppressed or concealed” must be investigated and proven. H.R. 1249 resolves these issues and avoids the accompanying expenses and uncertainties by awarding the patent to the inventor first files for a patent.

● *“Question: Was the first-inventor-to-file principle rejected by the First Congress and by Thomas Jefferson who was a member of the original patent board?”*

► Answer: No, as revealed by the exhaustively researched paper by Edward C. Walterscheid, *AIPLA Q.J.* 23:263 (1995) and the extensive documentation cited therein, the First Congress was well aware of a controversy involving four inventors who made inventions related to steam engines. Nonetheless, it enacted the 1790 Patent Act without any suggestion that the “date of invention” would be relevant to deciding the right to a U.S. patent. Most telling, separate patents were granted to each of these four inventors with the approval of then Secretary of State Jefferson who stated “that they could make no distinction in the Patents nor give one the preference [sic] of another” (*Autobiography of John Fitch* (one of the four inventors), Frank D. Prager ed. (1976)).

• Question: *Did contemporary practice at the time the Constitution was drafted lead the framers to adopt a first-to-invent standard and enshrine it in the Constitution?”*

► Answer: No, to the contrary. Mark A. Lemley, Professor of Law at Stanford University (who has testified on patent law reform in Administrative and Congressional hearings) has observed:

“[I]f that were true, (1) current US patent law would be unconstitutional in the circumstances in which it discounts invention in non-WTO member countries, and the system would have been unconstitutional throughout its history when it was limited to inventive activity in the US; and (2) copyright law would be unconstitutional because it treats any independent creator as an author. Both results seem unlikely to me.”

Other critics have also questioned whether persons who have received partially or wholly invalid patents would somehow be injured by H.R. 1249. This question is also easily answered:

• Question: *“Does the transitional provision of the bill that allows the US Patent Office to review certain patents related to certain business methods violate the Takings Clause of the Fifth Amendment because it does not provide any compensation to the holders of patents that are found to be invalid as a result of such review?”*

► Answer: No, because if the patent was mistakenly issued, and later found to be partially or wholly invalid as a result of the Patent Office’s review, no lawful property has been taken from the patentee. Never in the history of U.S. patent law has it been held, after a claim in a patent was determined to be invalid because covered unprotectable subject matter, that the owner of the patent was nevertheless entitled to compensation on the basis of that invalid claim.