

STORMING THE LAST BASTION: THE PATENT REFORM ACT OF 2007 AND ITS ASSAULT ON THE SUPERIOR FIRST-TO-INVENT RULE

I. INTRODUCTION

The current United States patent laws were drafted in 1952, but unlike nuclear fallout shelters, beatnik poetry, and the Ed Sullivan show, they still hold sway over American life. Recently, Congress took a major step toward its goal of refashioning these decades-old laws. On September 7, 2007, the United States House of Representatives narrowly passed a bill titled the “Patent Reform Act of 2007,”¹ which proposes drastic changes to the current United States patent system.² The bill, currently on the Senate’s legislative calendar and likely to come up for vote soon, faces heavy opposition from several interest groups, particularly small inventors and the biotechnology industry.³ The bill proposes many significant revisions of the current system, including expansion of criteria for determining damages in infringement suits,⁴ elimination of the “best mode” requirement,⁵ and restriction of venue in patent litigation suits.⁶

Perhaps the most sweeping and controversial proposed change, however, is a series of proposed revisions amounting to a switch from the “first-to-invent” system currently used in the United

1. Patent Reform Act of 2007, H.R. 1908, 110th Cong. (2007); *see also* S. 1145, 110th Cong. (2007).

2. Tom Ramstack, *Firms Call Patent Reform Bill Too Weak, Say it Increases Incentive to Steal Inventions*, WASH. TIMES, Sept. 14, 2007, at C9.

3. *Id.*

4. *See* H.R. 1908 § 5 (specifying that “reasonable royalty” damages in 35 U.S.C. § 284 are to be limited by determination of their relationship to contributions over prior art and entire market value).

5. *Id.* § 13 (stating that a patent is not invalid under 35 U.S.C. § 112 for failing to set forth the best mode).

6. *Id.* § 11 (amending 28 U.S.C. § 1400 to include that “a party shall not manufacture venue by assignment, incorporation, joinder, or otherwise primarily to invoke the venue of a specific district court”).

States to a “first-to-file” system.⁷ The first-to-invent system of priority, now used only in the United States, awards a patent to the first person to create the invention, rather than the first to file an application for a patent.⁸ In cases where the first inventor is not always the first filer, an interference proceeding⁹ is held to decide who is entitled to the patent.¹⁰ The first-to-file system used in all other nations, by contrast, grants priority to the first inventor to file an application for a patent regardless of the date of invention.¹¹ Abandoning the former in favor of the latter has been proposed several times in the last few decades, always unsuccessfully and surrounded by a whirlwind of controversy.¹²

Because it is neither new nor uncontroversial, the debate of first-to-invent versus first-to-file is worth thorough examination before reaching a conclusion as to which is best for the United States. Part II of this article will begin by examining the history of the first-to-invent rule, particularly as developed in the United States, and comparing it to the first-to-file system. Since harmonization of United States patent law with international norms is an important rationale behind the proposed change, Part II will additionally examine the history of harmonization of international patent law and recent, unsuccessful attempts to switch the United States to a first-to-file system. Part III will then examine and explain the text of the current legislation’s first-to-file provisions, as well as arguments presented both for and against it in congressional debates. Part IV will analyze arguments supporting both the first-to-file and first-to-invent systems, weighing the merits of each. Finally, Part V of this article will conclude that the United States should adhere to its current first-to-invent system

7. Ramstack, *supra* note 2; *see also* H.R. 1908 § 3.

8. BLACK’S LAW DICTIONARY 667 (8th ed. 2004).

9. An interference, also known as a priority contest, is an administrative proceeding in the U.S. Patent and Trademark Office conducted to determine who is entitled to the patent when two or more applicants claim the same invention, or when an application claims the same material as an issued patent. BLACK’S LAW DICTIONARY 831-32 (8th ed. 2004). It occurs when the same invention is claimed in two pending applications, or in one pending application and a patent issued within a year of the pending application's filing date. *Id.*

10. *Id.*

11. *Id.*

12. *See infra* Part II.C.

because that system better fulfills the ends of both the United States Constitution and abstract conceptions of justice, and because the first-to-file system will provide no major improvement over the current system.

II. BACKGROUND

Before the current Patent Reform Act's proposed change of filing system can be analyzed fairly, it is necessary to sufficiently lay out its background so that it can be viewed in its proper historical and legal context. First, this section will examine the historical development of the first-to-invent system in the United States up to the 1952 Patent Act. The chronology will be followed by an explanation of the first-to-file rule and a "track record" of countries that have recently abandoned their first-to-invent systems in favor of that rule. Finally, a record of proposed legislation within the last fifty years will detail the most recent attempts to change the United States' filing system, none of which has been successful.

A. Development of the First-to-Invent System

The historical development of the United States' first-to-invent system is possibly as distinctive as the system itself. Typical of common-law jurisdictions,¹³ the rule underwent several centuries of transformation and clarification to reach its current embodiment. An examination of that history reveals three distinct periods: the first encompasses English and American patent law before the Patent Act of 1836, entailing the origins and early development of the first-to-invent system; the second, representing the gradual solidification of the modern first-to-invent doctrine, is conveniently delineated by the Patent Acts of 1836 and 1870; the third and final period, lasting from 1870 to the present, represents the final embodiment of the modern first-to-invent rule, including

13. This refers to nations whose legal systems derive from English judge-made law as opposed to the Continental system, which relies upon codes and constitutions for legal authority. BLACK'S LAW DICTIONARY 293-94 (8th ed. 2004). Examples of common-law jurisdictions include the United Kingdom, the United States, Australia, and others. *Id.*

the current codification of the Patent Act in 1952.

1. 1790 to 1836

One of the earliest pieces of federal legislation in the United States was the Patent Act of 1790, which was largely based on the English Statute of Monopolies of 1623.¹⁴ The English statute granted a “privilege” of monopoly lasting fourteen years or less to “the first and true inventor” of “any manner of new manufactures within this realm.”¹⁵ Similarly, the American act provided that “if it shall appear that the patentee was not the first and true inventor or discoverer, judgment shall be rendered by [a] court for the repeal of such patent.”¹⁶

Despite the “first and true inventor” language of the 1790 Act, statutory guidance for resolving patent priority disputes was virtually non-existent until the 1836 Patent Act was passed.¹⁷ When Congress enacted the 1790 Act, among the issues it debated was whether or not to install a special mechanism for the resolution of priority disputes, but it ultimately left the question up to the federal courts.¹⁸ A second Patent Act followed in 1793, but also failed to offer any guidance as to the meaning of “first and true inventor.”¹⁹ The 1793 Act merely allowed defendants in patent infringement actions the opportunity to introduce invalidating evidence at trial, including evidence that the subject of the patent “was not originally discovered by the patentee.”²⁰

The federal courts, taking up their Congressionally-delegated duties, developed an interpretation of the first-to-invent rule as first to reduce to practice.²¹ In *Woodcock v. Parker*, Justice Joseph Story²² articulated that interpretation as follows:

14. Sean T. Camathan, *Patent Priority Disputes – A Proposed Re-Definition of “First to Invent,”* 49 ALA. L. REV. 755, 755 (1998).

15. *Id.* (citing Statute of Monopolies, 1623, 21 Jac. 1, c.3, § 6 (Eng.)).

16. *Id.* (quoting Act of Apr. 10, 1790, ch. 7, § 5, 1 Stat. 109, 111 (1790)).

17. *Id.* at 771.

18. *Id.* at 772.

19. *Id.*

20. Camathan, *supra* note 14, at 780 (quoting Act of Feb. 21, 1793, ch. 11, § 6, 1 Stat. 318, 322 (1793)).

21. *Id.* at 775.

22. Joseph Story (1779-1845), served as an Associate Justice of the Supreme

The first inventor is entitled to the benefit of his invention, if he reduce it to practice and obtain a patent therefor, and a subsequent inventor cannot, by obtaining a patent therefor, oust the first inventor of his right, or maintain an action against him for the use of his own invention.²³

2. 1836 to 1870

The 1836 Patent Act swept aside this early construction of the meaning of “first to invent,” and Justice Story’s interpretation of the new act led to the modern understanding of invention as conception rather than reduction to practice.²⁴ The 1836 Act still maintained “priority of right *or invention*” as the focus of interference proceedings.²⁵ However, the Act added an infringement defense whereby the defendant could show that the plaintiff “had surreptitiously or unjustly obtained the patent for that which was in fact invented or discovered by another, who was using reasonable diligence in adapting or perfecting the same.”²⁶

Philadelphia & Trenton Railroad Co. v. Stimpson,²⁷ is cited as the origin of the Supreme Court’s construction of conception as first invention under the 1836 Act’s affirmative defense.²⁸ That case involved a defendant’s exceptions to the introduction of certain evidence, including conversations indicating the plaintiff’s conception of the invention prior to the defendant’s reduction to

Court of the United States from 1811 until his death. He wrote 269 opinions of the Court and was instrumental in the development of American patent law, largely because he served as Circuit Justice for New England, which was at the time the most rapidly industrializing part of the country. See MacCormac Snow, *Joseph Story*, 5 OR. L. REV. 169 (1926).

23. *Woodcock v. Parker*, 30 F. Cas. 491, 492 (C.C.D. Mass. 1813) (No. 17971).

24. Carnathan, *supra* note 14, at 758.

25. Act of July 4, 1836, ch. 357, § 8, 5 Stat. 117, 120-21 (1836) (emphasis added).

26. *Id.* § 15, 5 Stat. at 123.

27. *Phila. & Trenton R.R. v. Stimpson*, 39 U.S. (1 Pet.) 448 (1840).

28. Carnathan, *supra* note 14, at 776.

practice of the same invention.²⁹ Writing for the Court, Justice Story stated the following:

The invention itself is an intellectual process or operation; and, like all other expressions of thought, can in many cases scarcely be made known, except by speech. The invention may be consummated and perfect, and may be susceptible of complete description in words, a month, or even a year before it can be embodied in any visible form, machine, or composition of matter.³⁰

Thus, according to the Court, the plaintiff's explanation of the concept of his invention amounted to an assertion of his right to it, and the judgment was affirmed.³¹

In *Reed v. Cutter*,³² decided the following year (1841), Justice Story qualified his holding in *Philadelphia & Trenton Railroad Co.* by introducing the concept of "reasonable diligence,"³³ later to become known as the "*Reed doctrine*":

[Reasonable diligence] seems to qualify [the] right [of prior invention], by providing that, in such cases, he who invents first shall have the prior right, if he is using reasonable diligence in adapting and perfecting the same, although the second inventor has, in fact, first perfected the same, and reduced the same to practice in a positive form.³⁴

Between 1853 and 1893, several cases³⁵ solidified the *Reed*

29. *Phila. & Trenton R.R.*, 39 U.S. (1 Pet.) at 457-58, 461.

30. *Id.* at 462.

31. *Id.* at 462-63.

32. *Reed v. Cutter*, 20 F. Cas. 435 (C.C.D. Mass. 1841) (No. 11645).

33. See DONALD S. CHISUM, CHISUM ON PATENTS § 10.02[2][b][ii] (2007) [hereinafter CHISUM].

34. *Reed*, 20 F. Cas. at 438.

35. See, e.g., *Dietz v. Wade*, 7 F. Cas. 684 (C.C.D.C. 1859) (holding that the first-to-invent rule applies even where both inventors were "independent and honest"); *White v. Allen*, 29 F. Cas. 969 (C.C.D. Mass. 1863) (holding that the second inventor is entitled to a patent when the first inventor abandons his

doctrine into the accepted rule for priority of invention.³⁶

3. 1870 to Present

Section 42 of the Patent Act of 1870 retained and clarified the first-to-invent rule:

Whenever an application . . . would interfere with any pending application, or with any unexpired patent, [the commissioner] shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to determine the question of priority of invention. And the commissioner may issue a patent to the party who shall be adjudged the prior inventor . . .

³⁷

Similarly, in the case law immediately following the 1870 Act, the priority rules, as well as the meanings of conception, diligence, and reduction to practice, came to be well-established.³⁸

The Sixth Circuit's decision in *Christie v. Seybold*³⁹ is seen as the culmination of the courts' process of adopting and defining Justice Story's conception and diligence doctrines.⁴⁰ That case concerned an inventor who conceived of the invention in 1885, but due to lack of funds and requisite tools, did not reduce it to practice until 1889, during which period the defendant conceived, reduced to practice, and obtained a patent for the same invention.⁴¹ The court reversed the district court's ruling for the defendant and reasoned as follows:

It is obvious . . . that the man who first reduces an

invention).

36. Carnathan, *supra* note 14, at 785.

37. Act of July 8, 1870, ch. 230, § 42, 16 Stat. 198, 204 (1870).

38. CHISUM, *supra* note 33, at § 10.02[3][b] (citing *Marconi Wireless Tel. Co. v. United States*, 320 U.S. 1, 34-35, (1943), *reh'g denied*, 320 U.S. 809 (1943)).

39. *Christie v. Seybold*, 55 F. 69 (6th Cir. 1893).

40. CHISUM, *supra* note 33, at § 10.02[3][b].

41. *Christie*, 55 F. at 71.

invention to practice is prima facie the first and true inventor, but that the man who first conceives, and, in a mental sense, first invents, a machine, art, or composition of matter, may date his patentable invention back to the time of its conception, if he connects the conception with its reduction to practice by reasonable diligence on his part, so that they are substantially one continuous act.⁴²

Thus, the court articulated the modern rule, with one exception, which was resolved in 1896 when the Court of Appeals for the District of Columbia held that “reasonable diligence” referred to the time of the inventor’s most recent, not original, conception, and that it saw “no good reason why [the first conceiver] should be compelled to extend [his diligence] back to the date of his original conception.”⁴³ By 1936, the modern view was so firmly settled that the Court of Customs and Patent Appeals⁴⁴ could state that it “is so well settled as to require no citation of authority.”⁴⁵

The current codification of the first-to-invent rule⁴⁶ was adopted in 1952.⁴⁷ The Senate Report on the bill’s drafting states only that Section 102(g) “retains the present rules of law governing the determination of priority of invention.”⁴⁸ The current Act bars a person from receiving a patent in the following instances:

(1) [D]uring the course of an interference . . .
another inventor involved therein establishes . . .
that before such person’s invention thereof the

42. *Id.* at 76.

43. Carnathan, *supra* note 14, at 788 (quoting *Yates v. Hudson*, 8 App. D.C. 93, 99 (App. D.C. 1896)).

44. This federal court was created in 1929 to hear all appeals in customs and patent cases. It was abolished in 1982, when its jurisdiction was superseded by the Court of Appeals for the Federal Circuit. BLACK’S LAW DICTIONARY 387 (8th ed. 2004).

45. Carnathan, *supra* note 14, at 788 (quoting *Wilson v. Sherts*, 81 F.2d 755, 762 (C.C.P.A. 1936)).

46. 35 U.S.C. § 102(g) (2006).

47. Carnathan, *supra* note 14, at 790.

48. S. REP. NO. 82-1979, at 17 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2410.

invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it.⁴⁹

The Act also provides a further requirement of diligence in addition to mere priority:

In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.⁵⁰

In their construction of the current 1952 Act, the courts have not added anything significant; their interpretation has been limited to ironing out definitions of "conception,"⁵¹ "diligence,"⁵² or "invention."⁵³

B. The First-to-File System

Because the first-to-file system was developed outside of English common law, it lacks the first-to-invent system's Anglocentric, judicially-evolved history outlined above. This subsection will briefly explain how the first-to-file system operates

49. § 102(g).

50. *Id.*

51. *See, e.g., Oka v. Youssefyeh*, 849 F.2d 581 (Fed. Cir. 1988) (holding that "conception" means having both an idea of the invention and an operative method of making it); *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985) (holding a "conception" to be "a definite and permanent idea of the complete and operative invention, as it is thereafter to be applied in practice").

52. *See, e.g., Scott v. Koyama*, 281 F.3d 1243, 1248 (Fed. Cir. 2002) (holding that diligence may take a variety of forms, including preparations for commercial sale).

53. *See, e.g., Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 66 (1998) (stating that "invention" refers to a concept that is complete, not substantially complete).

as well as chronicle its recent adoption by various foreign nations. Furthermore, since harmonization is frequently cited as a reason for the United States to become a first-to-file nation,⁵⁴ efforts to harmonize international patent law within the last century and a half will also be examined.

1. Explanation and Recent Adoption

The world's first patent systems followed neither the first-to-invent nor the first-to-file rule, but rather used a "first-to-import" system, in which the first person to bring new technology into a nation had prior rights to it.⁵⁵ An example of this system is the first modern patent act, passed by the Venetian Senate on March 19, 1474, which granted rights to anyone "who shall build any new and ingenious device in this City, not previously made in our Commonwealth."⁵⁶

Over the course of time, every nation except the United States has adopted the "first-to-file" system, where priority of invention is given to applicants who have submitted their patent application first.⁵⁷ Model representations of codifications of the first-to-file rule can be seen in patent laws of Japan and the European Patent Office.⁵⁸ Japan's statute provides that "[w]here two or more patent applications relating to the same invention are filed on different dates, only the first applicant may obtain a patent for the invention."⁵⁹ Likewise, the European Patent Office's rule is that "if two or more persons have made an invention independently of each other, the right to the European patent shall belong to the

54. See, e.g., 153 CONG. REC. E774 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

55. Max Stul Oppenheimer, *Harmonization through Condemnation: Is New London the Key to World Patent Harmony?*, 40 VAND. J. TRANSNAT'L L. 445, 460 (2007).

56. Giulio Mandich, *Venetian Patents (1450-1550)*, 30 J. PAT. OFF. SOC'Y 166, 176-77 (1948).

57. Ryan K. Dickey, *The First-to-Invent Patent Priority System: an Embarrassment to the International Community*, 24 B.U. INT'L L.J. 283, 285 (2006).

58. See Oppenheimer, *supra* note 55, at 461.

59. Tokkyoho [Patent Law], Law. No. 121, Apr. 13, 1959 art. 39, § 1, available at http://www.wipo.int/clea/docs_new/pdf/en/jp/jp006en.pdf.

person whose European patent application has the earliest date of filing”⁶⁰

Even nations that have historically followed the first-to-invent system have now switched to first-to-file. Though the origin of the first-to-invent rule lies in an English statute, Britain effectively became a first-to-file country with its Patent Act of 1949.⁶¹ The provisions of that Act read that the first to apply for patent protection is, at law, the “true and first inventor.”⁶² Historically, other important first-to-invent nations were Japan and Canada, which switched to first-to-file systems in 1919 and 1989 respectively.⁶³ The Philippines was the most recent nation to switch from a first-to-invent to a first-to-file system, which went into effect January 1, 1998.⁶⁴ Rumors abound that Jordan also remains a first-to-invent nation, but strong assertions have been made to the contrary, so its exact classification is still a matter of debate.⁶⁵

The reasons for the steady flow of nations adopting the first-to-file system focus mainly on harmonization goals. Japan’s switch followed its accession to provisions of the Paris Convention,

60. European Patent Convention, Oct. 5, 1973 art. 60, § 2, 1065 U.N.T.S. 1999, available at <http://www.european-patent-office.org/legal/epc/e/ar60.html>.

61. Richard C. Wilder, *Playing Cards in the Hashemite Kingdom of Jordan*, 2 U. BALT. INTELL. PROP. L.J. 237, 237-38 (1994) (citing T.R. Nicolai, FIRST-TO-FILE VS. FIRST-TO-INVENT: A COMPARATIVE STUDY BASED ON GERMAN AND UNITED STATES PATENT LAW, IIC, Vol. 3, No. 2 (1972)).

62. *Id.* (quoting Patent Act, 1949, 14 Geo. 6, § 1(1)(a) (Eng.)).

63. Oppenheimer, *supra* note 55, at 459. Canada traced its first-to-invent rule to the United States’ 1836 Patent Act. MARTIN J. ADELMAN, RANDALL R. RADER, JOHN R. THOMAS & HAROLD C. WEGNER, CASES AND MATERIALS ON PATENT LAW 254 (2d ed. 2003). In *Christiana v. Rice*, [1931] A.C. 770, the Privy Council held that a second inventor may not obtain a patent regardless of the circumstances of the first invention (in that case, the first inventor kept his invention secret in a foreign country is entitled). *Id.* Thus, the Canadian first-to-invent rule was stricter than its American antecedent. *Id.*

64. Gerald J. Mossinghoff, *The U.S. First-to-Invent System Has Provided No Advantage to Small Entities*, 84 J. PAT. & TRADEMARK OFF. SOC’Y 425, 425 n. 1 (2002) (citing Intellectual Property Code of the Phillipines, Rep. Act No. 8293, (Jan. 1, 1998) (Phil.)).

65. Wilder, *supra* note 61, at 238-39 (arguing that the Jordanian patent law is based on the British Patent Act of 1949, and that rumors to the contrary are merely rumors).

which were modeled on the German patent system.⁶⁶ In Canada's case, the switch to a first-to-file system was explicitly the result of a 1989 effort to harmonize international patent law.⁶⁷ Thus, in at least one recent case, harmonization of international patent law is largely the force behind the drive to replace the first-to-invent system with the first-to-file system.

2. *The First-to-File Rule and Harmonization*

Though the general trend among the world's nations appears to be moving away from first-to-invent systems and toward first-to-file ones, the actual history of international patent harmonization agreements, spanning well over a century, reveals a general shying away from any attempt at a uniform international rule of priority.

One of the first attempts at international harmonization of patent law was the 1883 International Convention for the Protection of Industrial Property (known as the Paris Convention).⁶⁸ The Paris Convention established an international right of priority in all member countries⁶⁹ for six months⁷⁰ following the filing of a patent application in one member country.⁷¹ Though one of the Paris Convention's main ends was to ease the harshness of the first-to-file rule by creating the grace period,⁷² it did not address any discrepancies between the first-to-invent and the first-to-file

66. Masaaki Kotabe, *A Comparative Study of U.S. and Japanese Patent Systems*, 23 J. INT'L BUS. STUD. 147, 149 (1992).

67. Evan I. Schwartz, *Patents Go Global*, TECH. REV., May 2003, <http://www.technologyreview.com/Biztech/13177/page2/>.

68. BLACK'S LAW DICTIONARY 1147-48 (8th ed. 2004); *see also* Paris Convention for the Protection of Industrial Property, March 20, 1883, 21 U.S.T. 1538, 828 U.N.T.S. 305, available at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html [hereinafter Paris Convention].

69. The original eleven signatories were France, Belgium, Brazil, Guatemala, Italy, the Netherlands, Portugal, El Salvador, Serbia, Spain, and Switzerland. CHISUM, *supra* note 33, at § 14.02[1][a]. The United States adhered to the convention in 1887, but did not fully implement its terms for some years. *Id.*

70. This was later extended to twelve months in the 1900 Brussels revision. *Id.* § 14.02[1][b].

71. *Id.* § 14.02[1][a].

72. BLACK'S LAW DICTIONARY 1147 (8th ed. 2004).

systems.⁷³ In fact, the 1934 London Revision of the Convention, which denied rights to third parties active during the grace period, expressly included an exception for first-to-invent nations: “[r]ights acquired by third parties before the date of the first application which serves as the basis for the right of priority are reserved under the domestic legislation of each country of the Union.”⁷⁴

In 1970, the Patent Cooperation Treaty (“PCT”) emerged from a conference among members of the Paris Convention.⁷⁵ The purpose of the PCT was to reduce “the duplication of effort involved, both for applicants and national Patent Offices, in the filing and processing of patent applications for the same invention in different countries.”⁷⁶ Furthermore, the PCT was explicitly non-binding with respect to systems of priority: the procedures it prescribed were “optional, . . . not intended to replace present domestic filing procedures, and in no way diminish the rights of priority and national treatment”⁷⁷ Thus, the PCT had no real effect on establishing an international norm for priority rules.

The next important step toward international harmonization of patent law came in 1994 with the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”), a byproduct of the lengthy “Uruguay Round”⁷⁸ trade negotiations that resulted in the General Agreement on Tarriffs and Trade (“GATT”) and established the World Trade Organization (“WTO”).⁷⁹ Though TRIPS established minimum standards of protection for 150 countries, it did not attempt to create a uniform global patent

73. Akim F. Czmus, *Biotechnology Protection in Japan, the European Community, and the United States*, 8 TEMP. INT’L & COMP. L.J. 435, 454 (1994).

74. CHISUM, *supra* note 32, § 14.02[1][e] (quoting Paris Convention, *supra* note 67, art. 4).

75. *Id.* § 14.02[4].

76. *Id.* (quoting H.R. REP. NO. 94-592 (1975)).

77. *Id.* (quoting H.R. REP. NO. 94-592).

78. By the end of the Uruguay Round, 125 countries, including the United States, were participating, and most were signatories to the resulting treaties. World Trade Organization, History, http://www.wto.org/trade_resources/history/wto/urug_round.htm (last visited Feb. 25, 2008).

79. CHISUM, *supra* note 32, § 14.02[5].

regime.⁸⁰ Rather, it left broad latitude for national variations, collectively termed the “TRIPS flexibilities.”⁸¹ Establishment of priority date falls within the TRIPS flexibilities; an international first-to-file standard, on the other hand, would constitute “deep harmonization,” which TRIPS avoids.⁸² Thus, even TRIPS, the most recent international intellectual property law harmonization agreement, remained silent about any preference for the first-to-file system over the first-to-invent system, even though most nations subscribed to first-to-file systems by the time of its signing.

C. Recent, Aborted Attempts at Changes

Movement toward the United States adopting a first-to-file system began in 1966 when President Lyndon B. Johnson appointed a President’s Commission on the Patent System, which published thirty-five recommended changes, including a switch to a first-to-file system.⁸³ Widespread opposition, mostly from industrial interests and small-scale inventors led to the proposal’s defeat.⁸⁴

Beginning in 1984, the World Intellectual Property Organization (“WIPO”) convened meetings with American government and business leaders to discuss harmonization.⁸⁵ These discussions resulted in the Patent System Harmonization Act of 1992, whose first-to-file provisions include, *inter alia*, that an applicant is barred from receiving a patent if “the subject matter is described in an application for patent of another applicant that has been previously filed in the United States and has been opened to public inspection.”⁸⁶ This legislation, however, lost steam when the

80. Jerome H. Reichman & Rochelle Cooper Dreyfuss, *Harmonization without Consensus: Critical Reflections on Drafting a Substantive Patent Law Treaty*, 57 DUKE L.J. 85, 89 (2007).

81. *Id.*

82. *Id.* at 90.

83. Christian J. Garascia, *Evidence of Conception in U.S. Interference Practice: Proving Who is the First and True Inventor*, 73 U. DET. MERCY L. REV. 717, 727 (1996).

84. *Id.*

85. *Id.* at 728.

86. Patent System Harmonization Act of 1992, H.R. 4978, 102d Cong. §

Secretary of Commerce announced that the United States would maintain the first-to-invent system.⁸⁷

President Bill Clinton's signature on the North American Free Trade Agreement ("NAFTA") in December 1993 amended the Section 104 interference rules of the 1952 Act,⁸⁸ allowing inventors in the first-to-file countries of Canada and Mexico to fully participate in interference contests with domestic inventors.⁸⁹ Clinton's signature of GATT the following year extended the Section 104 privileges held by NAFTA countries to all countries in the WTO, which meant that most foreign applicants were no longer held to the U.S. standard of proving they were the first to invent.⁹⁰ Critics of the United States' adherence to the first-to-invent system argue that the NAFTA and GATT revisions to American patent law are steps taken toward becoming a first-to-file system.⁹¹

In 1997, two patent reform bills, one originating in the House and the other in the Senate, again attempted to harmonize the United States' patent system with those of the rest of the world, including by switching to a first-to-file system.⁹² The House's bill, the 21st Century Patent System Improvement Act,⁹³ proposed what would effectively be a first-to-file system by requiring

3(a)(3) (1992).

87. Garascia, *supra* note 83, at 729.

88. The Act now reads as follows:

If an invention was made by a person . . . while domiciled in the United States, . . . a NAFTA country . . . or . . . a WTO member country . . . , that person shall be entitled to the same rights of priority in the United States with respect to such invention as if such invention had been made in the United States, that NAFTA country, or that WTO member country, as the case may be.

35 U.S.C. § 104 (2006).

89. Garascia, *supra* note 83, at 729-30.

90. *Id.* at 730-31.

91. *Id.*

92. Jeffery E. Robertson, *If It Ain't Broke, Don't Fix It: The Unnecessary Scope of Patent Reform as Embodied in the "21st Century Patent Reform Act of 1997" and the "Omnibus Patent Act of 1997,"* 5 J. INTELL. PROP. L. 573, 584 (1998).

93. 21st Century Patent System Improvement Act, H.R. 400, 105th Cong. (1997).

publication⁹⁴ within eighteen months of the earliest filing date.⁹⁵ The Senate's bill, the Omnibus Patent Act of 1997,⁹⁶ also included the eighteen-month publication provision.⁹⁷ The House passed its bill, but in the Senate, it languished along with the Omnibus Patent Act – Republican opposition prevented both bills from ever reaching the floor.⁹⁸

Harmonization – both as an end in itself and as a means to theorized greater convenience of a uniform international patent system – appears to be the main reason for the continued push in the United States for abandonment of the first-to-invent rule. In Congressional debates over the proposed 1992 Act, a change to the first-to-file system was viewed as a necessary, but not the only, step to the greater goal of harmonization: “if we do not want to change from the first-to-invent system we must be willing to forego the benefits of harmonization.”⁹⁹ Such wider benefits were stated to be reduction in time for foreign patent offices to review applications and decreased filing costs through a uniform filing system.¹⁰⁰ In fact, the abandonment of the first-to-invent system was referred to as a “give and take” with respect to the proposed benefits of harmonization.¹⁰¹

III. THE CURRENT PROPOSED LEGISLATION

Congress is currently considering legislation proposing a change in the United States' system of determining priority of patent

94. The Patent Act requires, with some exceptions, publication of patent applications after eighteen months from filing. 35 U.S.C. § 122(b) (2006). Section 122(b) publication bars an applicant from receiving a patent if it occurred before the applicant's date of invention. *See id.* § 102(e). House Bill 400 moved the exception for first-to-file countries of GATT from applying only to issued patent to published applications. H.R. 400 § 374.

95. Robertson, *supra* note 92, at 579-80.

96. Omnibus Patent Act of 1997, S. 507, 105th Cong. (1997).

97. *Id.* § 122(b)(1).

98. *See* 144 CONG. REC. S12733 (daily ed. Oct. 20, 1998) (statement of Sen. Leahy).

99. 138 CONG. REC. E1041 (daily ed. Apr. 10, 1992) (statement of Rep. Hughes).

100. *Id.*

101. *Id.*

rights. This section will examine that legislation in light of current patent law and explain the effects of its changes. After this, it will present an account of Congressional debates both for and against the bill as both a background to the legislation's provisions and a prelude to a more general analysis of the desirability of the proposed change in priority system.

A. The Bill's Provisions

The proposed Patent Reform Act of 2007 (introduced in the House as House Bill 1908) as passed by the House contains twenty sections of proposed amendments to the current Title 35 of the United States Code.¹⁰² The summary of changes amounting to a change to the first-to-file system is embodied in the bill's Section 3, titled "Right of the First Inventor to File."¹⁰³

1. Proposed Changes to 35 U.S.C. § 100

The first part of Section 3 summarizes proposed additions to 35 U.S.C. § 100, which currently contains five definitions:

When used in this title unless the context otherwise indicates—

(a) The term "invention" means invention or discovery.

(b) The term "process" means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.

(c) The terms "United States" and "this country" mean the United States of America, its territories and possessions.

(d) The word "patentee" includes not only the patentee to whom the patent was issued but also the successors in title to the patentee.

(e) The term "third-party requester" means a person requesting *ex parte* reexamination . . . or *inter partes*

102. Patent Reform Act of 2007, H.R. 1908, 110th Cong. (2007).

103. *Id.* § 3.

reexamination . . . who is not the patent owner.¹⁰⁴

House Bill 1908 leaves these five definitions intact, but adds the following:

(f) The term ‘inventor’ means the individual or, if a joint invention, the individuals collectively who invented or discovered the subject matter of an invention.

(g) The terms ‘joint inventor’ and ‘coinventor’ mean any one of the individuals who invented or discovered the subject matter of a joint invention.

(h) The ‘effective filing date of a claimed invention’ is—

(1) the filing date of the patent or the application for patent containing the claim to the invention; or

(2) if the patent or application for patent is entitled to a right of priority of any other application under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c), the filing date of the earliest such application in which the claimed invention is disclosed in the manner provided by section 112(a).

(i) The term ‘claimed invention’ means the subject matter defined by a claim in a patent or an application for a patent.¹⁰⁵

These definitions may not appear to add much, but defining “inventor” and “effective filing date” are crucial to any legislation that wishes to change a patent system from first-to-invent to first-to-file. Establishing the meaning of “effective filing date” in particular is necessary because so much of the ensuing first-to-file rules depend on that date.

104. 35 U.S.C. § 100 (2006).

105. H.R. 1908 § 3(a).

2. Proposed Changes to 35 U.S.C. § 102

Section 3 next proposes drastic changes to Section 102 of the current Patent Act. Since Section 102 deals with novelty as a prerequisite to patentability, the proposed changes to this section constitute the core of the material proposing a switch to a first-to-file system. Section 102 of the current Patent Act begins simply, “A person shall be entitled to a patent unless –” and subsections (a) to (g) list the exceptions.¹⁰⁶ The seven exceptions include the following:

- (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or
- (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or
- (c) he has abandoned the invention, or
- (d) the invention was first patented or caused to be patented, or was the subject of an inventor’s certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor’s certificate filed more than twelve months before the filing of the application in the United States, or
- (e) the invention was described in (1) an application for patent, published . . . by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty . . . shall have the effects for the purposes

106. 35 U.S.C. § 102.

of this subsection of an application filed in the United States only if [it] designated the United States and was published . . . in the English language, or

(f) he did not himself invent the subject matter sought to be patented, or

(g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.¹⁰⁷

House Bill 1908, first of all, restructures Section 102 into two subsections, (a) and (b). Section (a) eliminates the current Act's simple preamble and instead states when a patent may not be granted:

A patent for a claimed invention may not be obtained if—

(1) the claimed invention was patented, described in a printed publication, in public use, or on sale—

(A) more than one year before the effective filing date of the claimed invention; or

(B) one year or less before the effective filing date of the claimed invention, other

107. *Id.*

than through disclosures made by the inventor or a joint inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.¹⁰⁸

This piece of proposed legislation changes the requirements for a Section 102(a) bar from a printed publication existing “before the invention thereof by the applicant for patent”¹⁰⁹ to one existing “more than one year before the effective filing date of the claimed invention,”¹¹⁰ thus shifting the critical date for a publication bar from dependence on date of invention to date of filing. Subsection (a)(1)(B) of the proposed changes creates an exception to the one-year-before-filing-date rule, allowing for collaboration between joint inventors.¹¹¹ Subsection (a)(2) states that another patent or published application bars granting a patent if that other patent “was effectively filed *before the effective filing date* of the claimed invention.”¹¹² The subsection retains the current Section 102(e) published application bar, but effectively nullifies the current 102(g) provisions by establishing another application’s prior filing, not prior invention, as the critical date barring issuance of a patent.¹¹³

Subsection (b) of the proposed legislation provides a list of exceptions to Subsection (a) – that is, it lists circumstances when a patent *may* be granted. The first exception, called the “prior inventor disclosure exception,” states as follows:

108. H.R. 1908 § 3(b)(1).

109. 35 U.S.C. § 102(a).

110. H.R. 1908 § 3(b)(1).

111. *Id.*

112. *Id.* (emphasis added).

113. *See id.*

Subject matter that would otherwise qualify as prior art based upon a disclosure under subparagraph (B) of subsection (a)(1) shall not be prior art to a claimed invention under that subparagraph if the subject matter had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.¹¹⁴

In other words, if parties who receive information from an inventor publicly divulge it, that divulgence does not qualify as prior art.

The second exception is actually a series of three exceptions called the “derivation, prior disclosure, and common assignment exceptions.” It reads:

Subject matter that would otherwise qualify as prior art only under subsection (a)(2) shall not be prior art to a claimed invention if—

(A) the subject matter was obtained directly or indirectly from the inventor or a joint inventor;

(B) the subject matter had been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor before the date on which the application or patent referred to in subsection (a)(2) was effectively filed; or

(C) the subject matter and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.¹¹⁵

Thus, patents or published patent applications filed before the filing date of an application at issue are not prior art if the latter’s

114. *Id.*

115. *Id.*

subject matter is directly obtained from the inventor of the former, disclosed before the filing date of the former, or owned or assigned to the same party as the former. These exceptions effectively soften the burdens of the first-to-file rule articulated in Subsection (a)(2) by still allowing patent issuance to prior inventors who disclose their invention before a subsequent inventor files a patent application, as well as to prior inventors who are themselves also subsequent inventors who filed first.

The third exception, called the “joint research agreement exception,” states as follows:

(A) In general. Subject matter and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of paragraph (2) if—

(i) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

(ii) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(iii) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(B) For purposes of subparagraph (A), the term ‘joint research agreement’ means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.¹¹⁶

This exception merely clarifies the phrase “owned by the same person” stated in the previous “common assignment exception,”

116. H.R. 1908 § 3(b)(1).

defining what in fact constitutes such ownership.

The final Subsection (b) exception is for “patents and published applications effectively filed,” and it reads as follows:

A patent or application for patent is effectively filed under subsection (a)(2) with respect to any subject matter described in the patent or application—

(A) as of the filing date of the patent or the application for patent; or

(B) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b) or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon one or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.¹¹⁷

This exception essentially restates the meaning of “effectively filed,” but this time references statutory exceptions allowing earlier right of priority or filing date.

3. Proposed Changes to 35 U.S.C. § 103

Section 103 of the current Patent Act relates to the nonobviousness requirement for patentability.¹¹⁸ The proposed change completely eliminates the current lengthy exceptions in 103(b) and (c), largely retaining the language of the current 103(a). There are some modifications, however—Section 103(a) currently reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been *obvious at the time the invention was made* to a person having ordinary

117. *Id.*

118. *See* 35 U.S.C. § 103 (2006).

skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.¹¹⁹

The proposed change would have the entirety of Section 103 read as follows:

A patent for a claimed invention may not be obtained though the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious *before the effective filing date of the claimed invention* to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.¹²⁰

The only major difference between the current statute and the proposed change is that the date for determination of obviousness changes from the invention's date of manufacture to its effective filing date. This change would be consistent with the overarching change of the patent system from first-to-invent to first-to-file.

4. Proposed Changes to 35 U.S.C. § 135

Section 135 of the current Patent Act outlines the scope and procedure of interferences.¹²¹ That section defines an interference as occurring “[w]henver an application is made for a patent which . . . would interfere with any pending application, or with any unexpired patent” and provides that in an interference “[t]he Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability.”¹²² Since the entire purpose of an interference is to

119. *Id.* § 103(a) (emphasis added).

120. H.R. 1908 § 3(c) (emphasis added).

121. *See* 35 U.S.C. § 135.

122. *Id.* § 135(a). The Board of Patent Appeals and Interferences is a quasi-

determine priority of invention, the necessity for them is obviated by a switch to a first-to-file system, where prior inventorship is irrelevant to patent rights.

Rather than repeal Section 135, House Bill 1908 instead overhauls it to provide for what it calls “derivation proceedings.”¹²³ The bill defines them as a “[d]ispute [o]ver [the] [r]ight to [p]atent” whose purpose is “to determine the right of the applicant to a patent by . . . finding [whether] another applicant derived the claimed invention from the applicant requesting the proceeding and, without authorization, filed an application claiming such invention.”¹²⁴ A derivation can essentially be called an interference in a first-to-file world – the issue to be decided is still the rights to a patent, but in a derivation patent rights are nullified upon showing of a first filer’s usurpation of another’s invention, not his subsequent invention.

5. Proposed Repeals within Title 35

A number of the revisions proposed in the Patent Reform Act of 2007 are straightforward repeals of several provisions of the current Patent Act, mostly because a change to a first-to-file system would preclude them. Repeals relevant to the priority system change are scattered throughout the bill: Sections 104, 135, 157, and 291, are the most important.

Section 104 of the current Act forbids establishing prior date of invention in non-NAFTA and non-WTO countries and allows inventors in NAFTA and WTO countries the same rights of priority as domestic inventors.¹²⁵ House Bill 1908 would repeal that section altogether,¹²⁶ simply because switching to a first-to-file system would harmonize American patent law with all other nations. The 1952 Act’s exceptions for priority rules for NAFTA

judicial body within the Patent and Trademark Office that hears both appeals from patent applicants whose applications have been rejected by the examiner and interference contests outlined above. BLACK’S LAW DICTIONARY 185 (8th ed. 2004). Its decisions are directly appealable to the Court of Appeals for the Federal Circuit. *Id.*

123. H.R. 1908 § 3(i).

124. *Id.*

125. 35 U.S.C. § 104.

126. H.R. 1908 § 3(d) (emphasis added).

and WTO nations, therefore, would no longer be necessary.

Section 157 of the current Act provides for a “statutory invention registration,” which is a document consisting of a patent application’s specifications and drawings, registered and publishable by the patent office, but without the legal force of a patent.¹²⁷ Section 157 also provides that if an interference is declared with respect to a statutory invention registration, it may not be published unless priority of invention is decided in its favor.¹²⁸ Though House Bill 1908 groups this repeal under its first-to-file provisions, the only relation Section 157 has to the first-to-invent system is the mention of the possibility that statutory invention registrations will be involved in interference proceedings. This relationship is tenuous, and the Congressional Record is unclear why the proposed repeal was considered a first-to-file provision.¹²⁹ Perhaps Congress viewed Section 157 as superfluous, since establishing a record of prior invention would be unnecessary under a first-to-file system.

The Patent Reform Act of 2007 further proposes a complete repeal of Section 291 of the current Patent Act.¹³⁰ Section 291 sets forth remedies in interference proceedings.¹³¹ The proposed amendments to Section 135 eliminating interferences altogether renders moot the issue of remedies, making repeal the obvious solution. Additionally, the proposed changes also eliminate every reference to the term “interference” from Title 35 for consistency.¹³²

6. Further Proposed Changes to Title 35

Most of the remaining changes proposed to the current Patent Act derived from the proposed switch to a first-to-file system are merely semantic in nature, ridding the statutory language of any

127. 35 U.S.C. § 157(a).

128. *Id.*

129. *See* 153 CONG. REC. S4686 (daily ed. Apr. 18, 2007) (statement of Sen. Hatch).

130. H.R. 1908 § 3(h).

131. *See* 35 U.S.C. § 291.

132. H.R. 1908 § 3(j).

references to¹³³ or exceptions created by¹³⁴ the first-to-file rule.

B. The Congressional Debates

Introducing the bill to the House, Congressman Howard Berman of California outlined the scope of and reasons for the revisions to the patent system outlined in the bill.¹³⁵ Berman's statement outlined three main purposes for the proposed revisions: (1) harmonizing U.S. patent law with the patent laws of other countries, (2) improving patent quality, and (3) limiting litigation abuses.¹³⁶ Another argument presented in the bill's favor was that legislative action precludes the necessity of a separate set of judicial constructions of an old statute, resulting in patent law less dependant on an unelected judiciary.¹³⁷

Regarding the proposed change to the first-to-file system, Berman cited the following reasons:

Section 3 converts the U.S. patent system from a first-to-invent system to a first-inventor-to-file system. The U.S. is alone in granting priority to the first inventor as opposed to the first inventor to file a patent. There is consensus from many global companies and academics that the switch in priority mechanisms provide [sic] the U.S. with greater international consistency, and eliminate the costly and complex interference proceedings that are currently necessary to establish the right to obtain a patent.¹³⁸

133. *See id.* § 3(g)(4)-(5) (striking references to 35 U.S.C. § 102(d)-(e) of the current Patent Act in other provisions retained after the proposed changes would take effect).

134. *See id.* § 3(g)(6) (striking language from 35 U.S.C. § 119 preventing foreign inventors from using the first-to-invent rule to obtain patents in the United States).

135. 153 CONG. REC. E773-75 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

136. *Id.* at E774.

137. *Id.* at H10254 (daily ed. Sept. 7, 2007) (statement of Rep. Issa).

138. *Id.* at E774 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

In his introduction of the Senate version of the act, Senator Orrin Hatch of Utah also emphasized harmonization as the goal of the proposed revisions:

[The bill] is designed to harmonize U.S. law with the law of other countries by instituting a first-to-file system. The United States is the only significant country following the first-to-invent system, in which the right of the patent lies with the first inventor, rather than the first inventor to file for a patent.¹³⁹

Hatch further stated that the bill “provides greater certainty because the filing date of an application can very rarely be challenged.”¹⁴⁰

In the debate on the House floor, arguments in favor of the bill’s proposed change to first-to-file largely echoed these desires for international harmonization.¹⁴¹ Harmonization itself was advocated as facilitating American inventors’ ability to secure patent rights in foreign countries “as international patent protection becomes increasingly important to their ability . . . to compete on a level playing field.”¹⁴² Also, the change to first-to-file was favorably described as “important to ensuring that those who infringe on patents continue to have to meet a reasonable threshold if they assert a ‘prior use’ defense.”¹⁴³

Opponents of the bill on the House floor called it the “Steal American Technologies Act, the Sequel,” comparing its comprehensive reform with the massively unpopular attempt at comprehensive immigration reform of the summer of 2006.¹⁴⁴ In his summation of errors he perceived in the bill, Congressman Dana Rohrabacher of California stated the following:

139. *Id.* at S4691 (statement of Sen. Hatch).

140. *Id.*

141. *See, e.g.*, 153 CONG. REC. H10249 (daily ed. Sep. 7, 2007) (statement of Rep. Welch).

142. *Id.*

143. *Id.* at E1932 (daily ed. Sept. 19, 2007) (statement of Rep. Capuano).

144. *Id.* at H7480-81 (daily ed. July 10, 2007) (statement of Rep. Rohrabacher).

The most fundamental of all, of course, we change the legal basis of our system from first-to-invent, which has been, historically, for 200 years, the basis of the patent system, and now we are changing it to first-to-file, the way they do in Europe and in Japan. Do we really want to have a country like Japan? Look at their creative history. They rely on all of our ideas to perfect.¹⁴⁵

The first-to-file requirement was, Rohrabacher argued, part of the bill's more general shortcoming of encouraging scavengers, both foreign and domestic, to steal innovative ideas from America's most creative minds.¹⁴⁶ Another argument presented against the change to first-to-file was that harmonization would actually favor foreign inventors over domestic ones.¹⁴⁷

Even the bill's sponsors acknowledged some difficulties in switching to a first-to-file system. In his introduction of the bill, Congressman Berman stated the following:

While cognizant of the enormity of the change that a 'first inventor to file' system may have on many small inventors and universities, we have maintained a grace period to substantially reduce the negative impact to these inventors. However, we need to maintain an open dialogue to ensure that the patent system will continue to foster innovation from individual inventors.¹⁴⁸

C. Current Status

Despite the opposition, the Patent Reform Act passed the House with a narrow 220-175 vote, mostly along party lines (only 60

145. *Id.* at H10253 (daily ed. Sept. 7, 2007) (statement of Rep. Rohrabacher).

146. *Id.*

147. 153 CONG. REC. H10253 (daily ed. Sept. 7, 2007) (statement of Rep. Manzullo).

148. *Id.* at E774 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

Republicans voted for the bill and only 58 Democrats against).¹⁴⁹ In the Senate, the bill left the judiciary committee and was placed on the legislative calendar on January 24, 2008.¹⁵⁰ In a Statement of Administration Policy dated September 6, 2007, President George W. Bush expressed broad support for passage of House Bill 1908, including its provisions switching the United States to a first-to-file nation.¹⁵¹ More recently, however, the Department of Commerce articulated several points of opposition by the Administration to Patent Reform Act in its current form.¹⁵² Though the Administration continues to support the first-to-file provisions, it opposes the bill in its entirety unless the proposed changes to an inventor's right to obtain damages are revised significantly.¹⁵³ Thus, if passed in its current form before January 2009, the bill would most likely not be signed into law. It appears unlikely, though, that the bill will be resolved before the November 2008 election, based on the length of time it took to reach the Senate calendar since its introduction into the Senate in April 2007.¹⁵⁴ Also, since the House vote fell so sharply among party lines, it is unlikely that the bill will make it through the evenly divided Senate (with two independents), where at least sixty votes are needed for cloture,¹⁵⁵ without much of a fight. If

149. Office of the Clerk of the U.S. House of Representatives, Final Vote Results for Role Call 893, <http://clerk.house.gov/evs/2007/roll863.xml> (last visited Feb. 25, 2008).

150. The Library of Congress, Thomas, <http://www.thomas.gov> (search the 110th Congress for Bill Number "S. 1145"; follow "Major Congressional Actions" hyperlink) (last visited Feb. 25, 2008).

151. EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET, STATEMENT OF ADMINISTRATION POLICY: H.R. 1908 – PATENT REFORM ACT OF 2007 (Sept. 6, 2007), <http://www.whitehouse.gov/omb/legislative/sap/110-1/hr1908sap-r.pdf>.

152. See Letter from Nathaniel F. Wienecke, Assistant Secretary for Legislative and Intergovernmental Affairs, United States Department of Commerce, to Patrick J. Leahy, Chairman, Committee on the Judiciary, United States Senate (Feb. 4, 2008), available at <http://www.ogc.doc.gov/ogc/legreg/letters/110/S1145020408.pdf>.

153. *Id.*

154. Peter Benesh, *Attorney: High Court Finds Rules Patently Offensive*, INVESTOR'S BUS. DAILY, Jan. 28, 2008, 2008 WLNR 1501794.

155. See Standing Rules of the Senate, Rule XXII, <http://rules.senate.gov/senaterules/rule22.php> (last visited Feb. 25, 2008).

the bill passes at all, it will likely be after a long and vigorous debate. Furthermore, in the present uncertain political climate, any changes in the party holding either the presidency or Congressional majorities could easily spell death for the proposed patent reforms.

IV. ANALYSIS

Every time patent reform legislation is introduced that proposes a switch to the first-to-file system, many arguments fly back and forth as to why the switch should or should not be effected. In general, arguments in favor of the switch are grounded on harmonization of United States laws with international laws and efficiency. Arguments favoring the status quo, by contrast, tend to be rooted in Constitutional law and moral rights. Both sides cite practical considerations as favoring their own positions. These practical aspects will be dealt with as secondary considerations as the theory is examined, for they tend to support the theoretical positions, rather than stand as arguments on their own.

A. Arguments in Favor of the First-to-File Rule

In keeping with established trial structure, the arguments of the party asserting a claim are presented first. Since proponents of the first-to-file system are the ones advocating for a sweeping departure from the American patent system's current circumstances, the burden falls on them. Their arguments concentrate around two theses: (1) harmonization with international law is a desirable end in itself and (2) the first-to-file system is more efficient.

1. The Harmonization Argument

Harmonization of the United States' patent law with that of the majority of other nations has been called, "the decisive factor in adopting the first-to-file system over the American Rule."¹⁵⁶ It therefore seems appropriate to analyze that argument first.

156. Dickey, *supra* note 57, at 305.

In the Congressional debates, the bill's proponents spoke of switching to first-to-file as giving United States patent law "greater international consistency"¹⁵⁷ and "harmoniz[ing] U.S. law with the law of other countries,"¹⁵⁸ thus treating harmonization in and of itself as a desirable end result. Switching to a first-to-file system is seen by its proponents as the next logical step in the evolving process of the United States' increasing harmonization of its laws with "international norms," beginning with signing onto the Paris Convention in 1887, and continuing through the adjustments to American patent law made in the wake of signing NAFTA in 1993 and GATT in 1994.¹⁵⁹

The main argument presented by proponents of harmonization is that there is "inherent value in conforming U.S. laws to international standards."¹⁶⁰ Refraining from signing onto international harmonization treaties, they argue, builds international hostility and impedes international relationships.¹⁶¹ "Harmonization" sounds like a desirable end – who, after all, wants discord? – but the argument that harmonization itself justifies a massive shift in American patent law is unpersuasive because it strives more towards good foreign policy than good property law. A complete revamping of one of American patent law's fundamental principals ought to rest on firmer ground than mere goodwill toward other nations. Such a spectacular change ought rather to be justified by practical considerations.

Practical considerations, however, do play a part in another harmonization argument offered in favor of switching to a first-to-file system. That argument states that the United States' first-to-invent system bars many foreign applicants from entering the U.S. market, in large part because of the enormous cost of interference proceedings.¹⁶² Additionally, foreign inventors largely distrust the United States courts as a vehicle to resolve priority disputes

157. 153 CONG. REC. H10254 or E774 (Apr. 18, 2007) (statement of Rep. Berman).

158. *Id.* at S4691 (Apr. 18, 2007) (statement of Sen. Hatch).

159. Dickey, *supra* note 57, at 306-07.

160. *Id.* at 309.

161. *Id.* at 310-12.

162. *Id.* at 307-08.

because they believe the court system favors domestic litigants.¹⁶³ Proponents of switching to a first-to-file system argue that the switch would eliminate any bias toward foreign inventors, resulting in significant economic benefit because foreign inventors receive a significant percentage of United States patents.¹⁶⁴

As it turns out, however, the policy argument is chimerical, since harm to foreign inventors is simply not substantiated by statistical evidence. A statistical examination¹⁶⁵ of interference proceedings designed to test common conceptions about both the first-to-invent and first-to-file systems¹⁶⁶ revealed that of the interference proceedings between a foreign and a domestic inventor, the foreign party prevailed fifty-eight percent of the time.¹⁶⁷ Based on these litigation statistics alone, it appears that the fears of foreign inventors concerning the United States' priority system are unfounded. It can hardly constitute bias against foreign inventors when most of their United States patents withstand priority disputes with domestic inventors. Rather, the statistics merely suggest that foreign inventors with United States patents have their inventions' priority judged according to established practices of American patent law, just as American inventors filing for foreign patents must expect to abide by foreign rules.

Some also see the United States' stubborn adherence to the first-to-invent rule as one last impediment on the road to an international, or "borderless," patent system, where a uniform, worldwide system would only require one application to file for international patent protection.¹⁶⁸ In such a system, proponents of

163. *Id.* at 308.

164. *Id.* ("Japanese firms and individuals alone file for and receive nearly twenty percent of patents granted [in the United States].").

165. Mark A. Lemley & Colleen V. Chien, *Are the U.S. Patent Priority Rules Really Necessary?*, 54 HASTINGS L.J. 1299, 1328 (2003).

166. Two data sets were selected for this study: (1) the 76 cases on LexisNexis or Westlaw between 1990 and 2001 decided on the merits of a priority resolution; and (2) a random sampling of 190 decisions of the Board of Patent Appeals and Interferences selected from the 7000 decisions published on its web page since 1997. *Id.* at 1305-06.

167. *Id.* at 1328.

168. See Gerald J. Mossinghoff, *Patent Harmonization through the United Nations: International Progress or Deadlock*, 86 J. PAT. & TRADEMARK OFF.

this argument assert, the redundancy of multiple filings (and their incident costs) in various nations would be eliminated, drastically reducing the costs of international patent protection.¹⁶⁹ This is perhaps the strongest harmonization argument because it uses the practical goal of efficiency to justify harmonization.

Proponents of the theorized international system favor its realization through the World Intellectual Property Organization (“WIPO”),¹⁷⁰ an organ of the United Nations (“UN”) established in 1967 with the purpose of “developing international intellectual property laws and standards” and similar ends.¹⁷¹ Supporters of the international system have called WIPO an “unqualified success,”¹⁷² but its actual track record reveals quite the opposite. A good illustration of this point is WIPO’s “deep harmonization” plan, which foundered in 1996, was resurrected in 2000, and stalled again in 2003 because some member nations attempted to use harmonization to *weaken* international patent protection by failing to adhere to some provisions of TRIPS.¹⁷³ WIPO’s failed attempts illustrates the unfeasibility of the ability of an organization composed of states with weak patent protection – or no patent protection – to form a coherent, effective system to secure and enforce the protection of intellectual property to the degree currently achieved by individual nations. The old adage that “a chain is only as strong as its weakest link” applies here, for when intellectual property rights become borderless, enforcement of those rights is only as strong as it is in the country with the weakest enforcement. Also, the necessary compromise involved in forging an international system results in mediocre protection, since nations with both high and low standards of intellectual property protection must agree to its terms. The beauty of national sovereignty, on the other hand, is that each nation can enact and enforce laws protecting intellectual property to the degree it deems

Soc’y 5, 10-11 (2004).

169. *Id.*

170. *Id.* at 12.

171. World Intellectual Property Organization, What is WIPO?, http://www.wipo.int/about-wipo/en/what_is_wipo.html (last visited Feb. 25, 2008).

172. Mossinghoff, *supra* note 168, at 12.

173. *Id.* at 11.

necessary without having to compromise its standards.

An international system may grant a patentee uniform protection, but can it grant *effective* protection? Judging by the records of both the UN and WIPO, it appears the answer to that question is no. Domestic inventors appear to have more to lose than to gain from an international system.

2. *The Efficiency Argument*

Though the arguments for harmonization are based on efficiency with respect to future development of international patent law, the “efficiency argument” as termed in this Article only relates to efficient operation of the patent system within the United States. The essence of this argument is that the first-to-file system is more efficient because prior invention is easier to establish through filing than invention.¹⁷⁴ It would, its proponents argue, eliminate costly and time-consuming interference proceedings, sparing inventors from expensive litigation and the court system from docket overloads.¹⁷⁵

Proponents of switching to a first-to-file system, however, weaken this argument with another one they offer in their favor: first inventors are rarely second-to-file, and the first-to-invent rule is therefore unnecessary.¹⁷⁶ If this argument is true, then the first-to-invent rule would not impose a heavy risk on the patentee that his patent could be rendered invalid, since the laws of probability, as asserted under this argument, would dictate otherwise. Yet statistics do not support the assertion that first inventors are rarely second filers. In the above-cited study of patent cases resolved on priority grounds, the junior party won only forty-three percent of the time, meaning that first inventors are more often than not the second filers.¹⁷⁷ A patentee challenged in an interference proceeding, therefore, has a fifty-seven percent chance of having his patent invalidated, meaning that patentees face a significant risk of having a prior inventor’s claim invalidate their patents, and

174. See, e.g., 153 CONG. REC. E773 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

175. See Dickey, *supra* note 57, at 303-04.

176. Lemley & Chien, *supra* note 165, at 1307.

177. *Id.* at 1309.

thus less certainty in their patents' validity when obtained. This uncertainty, though, has little to do with efficiency. The high invalidation rate reveals that the issue that the interference procedure seeks to resolve is significant and that arguments in favor of its retention are legitimate. To argue that the first-to-invent system is inefficient because it addresses an insignificant number of priority disputes is, then, simply not borne out by the facts.

Also, court overload would not be too severe under such circumstances, since Rule 11¹⁷⁸ is in place to weed out frivolous claims. The United States' notice pleading system sets a very low requirement to effectively plead a case,¹⁷⁹ so even frivolous claims initiate the litigation process and its concomitant expenses. Litigation statistics of interferences reveal, however, that both first-to-file (seventy-four percent) and second-to-file (eighty-two percent) parties prevail on the basis of their own assertions, rather than the opposing party's lapse.¹⁸⁰ These numbers show that actual cases of frivolous suits are not common, for a party bringing a frivolous suit would have no valid assertions to bring, much less use to prevail. The higher percentage of second filers prevailing based on their own efforts indicates that they are less likely to initiate frivolous and ineffective claims merely to harass a first filer than not, for their claims are meritorious enough to assert priority. Thus, the first-to-invent rule does not burden courts with an excess of frivolous suits. Whether or not the courts' docket

178. Rule 11(b) of the Federal Rules of Civil Procedure provides as follows:

By presenting to the court a pleading, written motion, or other paper—whether by signing, filing, submitting, or later advocating it—an attorney or unrepresented party is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances . . . the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law.

FED. R. CIV. P. 11(b).

179. See FED. R. CIV. P. 8(a) (requiring a pleading to contain *inter alia* merely "a short and plain statement of the claim showing that the pleader is entitled to relief").

180. Lemley & Chien, *supra* note 165, at 1321.

load should be encumbered with interference cases is less an efficiency concern than one of principle, to be dealt with in a subsequent section.

On an even more basic level, the event that determines ownership under filing-based priority is dependent on the complexities and difficulties of communication with the government. In invention-based priority, ownership determination is independent of these factors.¹⁸¹ To enjoy right of priority to an invention when invention determines priority, no patent application need be filed, no patent attorneys retained and paid, and no knowledge of or familiarity with the patent system presumed.¹⁸² Thus, obtaining rights to an invention simply requires the act of invention itself in a first-to-invent system. Filing, by contrast, requires navigation of the byzantine filing rules of the PTO, not to mention ample money on hand for fees.¹⁸³ In a first-to-file system, priority depends on this highly bureaucratized process. A system for claiming priority relying upon filing cannot be more efficient than filing itself, since it is the act that defines priority. Complications that may arise during the filing process would become the same complications appearing in priority disputes.

Another major objection to the first-to-file system is that individual and small inventors suffer under this rule because large-scale inventors are more likely to possess the sophistication and resources required to file.¹⁸⁴ A large and well-funded entity is much better-equipped to meet the government's filing demands – it can afford filing fees for several simultaneous applications, as well as patent attorneys experienced in the PTO's workings, and often has much greater experience with the process of filing an application than individual inventors. Making priority dependent on filing encourages inventors to place as much effort and focus on the process of filing a patent application as on the research,

181. R. CARL MOY, 2 MOY'S WALKER ON PATENTS § 8:36 (2007).

182. *Id.*

183. In 2005, the average cost of filing a patent application was \$11,218. Christopher A. Cotropia, *Nonobviousness and the Federal Circuit: an Empirical Analysis of Recent Case Law*, 82 NOTRE DAME L. REV. 911, 940 n.121 (2007).

184. See 153 CONG. REC. E774 (daily ed. Apr. 18, 2007) (statement of Rep. Berman).

development, and invention process itself, encumbering them with additional efforts and concerns. Thus, while judicial determinations of priority based on filing date may be more efficient from the government's perspective, it would encumber the private sector with additional, government-created concerns to address, making it less efficient. Large entities can easily afford the added costs, but for individual and small inventors, these added concerns can make the process of securing a patent too costly and time-consuming.

At first blush, it may be easier to establish who first filed an application than who first invented its claimed invention, but that is irrelevant. The Intellectual Property Clause ("IP Clause") of the Constitution states that the goal of the patent system is "[t]o Promote the Progress of Science and useful Arts."¹⁸⁵ The goal is not to be as light a burden on the court system as possible or to determine inventorship with as little inconvenience as possible. In order to ascertain whether a first-to-file system fulfills the patent system's constitutional goal, it is necessary first to analyze the constitutionality of the system – an analysis favored by proponents of the first-to-invent rule.

B. Arguments in Favor of the First-to-Invent Rule

Those who argue in favor of the current system base their reasons on more abstract principles than their opponents. The first-to-invent camp puts forward two important arguments: (1) the first to file system is unconstitutional and (2) the first inventor has moral rights that supersede any first filer.

1. The Constitutional Argument

Potentially one of the most damaging arguments against the pending patent reform bill is that the first-to-file system is unconstitutional. If the proposed legislation were signed into law and a challenge subsequently brought against it in a United States federal court on constitutional grounds, its position would be very vulnerable. If its first-to-file provisions were found to violate the

185. U.S. CONST. art. I, § 8, cl. 8.

Constitution, the United States would by default be a first-to-invent nation. The only way around that conclusion would be the extraordinarily difficult process of amending the Constitution or waiting decades for further judicial determinations to allow for other ways for a first-to-file system to be constitutionally permissible.

The Constitution, still the supreme law of the United States, grants the Federal Congress 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.”¹⁸⁶ For purposes of this Article, the operative word in this clause is “Inventors” and the main issue is how to define it. Opponents of the first-to-file system argue that a plain reading of the IP Clause requires that only an original inventor, not the first to win the race to file, can be a patentee.¹⁸⁷ They argue that more than two hundred years of jurisprudence interpreting the IP Clause have firmly established the meaning of “Inventor” along the lines of the first-to-invent rule as it is presently interpreted.¹⁸⁸

Based on historical understanding, outlined in Section II above, those who view the first-to-file system as unconstitutional appear to have the better argument. The Constitution was drafted by former British subjects, and their legal grounding in the area of patents was the English Statute of Monopolies, from which the first-to-invent rule developed. The courts’ early construction of “Inventor” as the first to invent, rather than file, from the earliest cases¹⁸⁹ onward further suggests that the first-to-invent rule was the commonly understood meaning at the time of the Constitution’s drafting, since they do not treat this interpretation as any major break with accepted jurisprudence. Indeed, in light of the history of English and American patent law, the decisions leading up to the modern codification of the first-to-invent rule were a natural, uninterrupted development of the same underlying

186. *Id.*

187. Karen E. Simon, *The Patent Reform Act’s First-to-File Standard: Needed Reform or Constitutional Blunder?*, 6 J. MARSHALL REV. INTELL. PROP. L. 129, 139-41 (2006).

188. *Id.* at 143-44.

189. *E.g.*, *Woodcock v. Parker*, 30 F. Cas. 491 (C.C.D. Mass. 1813).

first-to-invent principle. The meaning of “Inventor” as within this continuous interpretation is consistent with originalist, strict constructionist, and textualist views of the Constitution, since it takes into account tradition, historical circumstances and established definitions.

Constitutional justifications of the first-to-file rule arise, rather, from a teleological system of interpretation. The arguments themselves readily support this assertion, for they rely on the explicitly stated end of the IP Clause – “[t]o Promote the Progress of Science and useful Arts” – as its operative words.¹⁹⁰ Proponents of this argument assert that this clearly-stated goal is better served by a first-to-file system because such a system is more efficient.¹⁹¹ Furthermore, they argue, the IP Clause notwithstanding, patent legislation can fall under Congress’s Commerce Clause powers and its power to ratify treaties.¹⁹²

The argument that a first-to-file system better achieves the stated goals of the IP Clause is intriguing due to its creativity, and deserves some analysis. Elaborating on the basic constitutional declaration of the IP Clause’s ends, the Supreme Court outlined more specific goals of the United States’ patent system: fostering and rewarding invention, promoting disclosure of inventions, and stimulating further innovation.¹⁹³ It is difficult to see how a first-to-file system better promotes these ends, particularly with respect to the first goal. In fact, a first-to-file system often does not reward the true inventor, but rather punishes him with deprivation of rights to his invention for not beating a subsequent inventor in the race to file. Granting a patent to the first inventor to file does indeed encourage more rapid disclosure – all possible inventors race to the patent office to be first – but this policy encourages sloppy disclosures. Care is often sacrificed for punctuality. Inventors in too much of a rush either file slapdash applications later rejected and published, or receive a patent with claims insufficient due to constrained research. Patents with insufficient claims render improvements discoverable through more thorough research, and hence includable in the patent, obvious and

190. Simon, *supra* note 187, at 141-42.

191. *Id.*

192. *Id.* at 142.

193. *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979).

unprofitable. Under a first-to-invent system, by contrast, there is less incentive to rush to file, and thus less likelihood of the winner of the race failing to meet USPTO disclosure requirements.¹⁹⁴ A further side effect of the race to file would be a winner-take-all mentality that could cause potential patentees to view the possibility of winning the race to be too low, reducing the motivation to invent.¹⁹⁵ Thus, a first-to-file system would actually impede, rather than foster, invention. Finally, as stated above, it is often argued that the first-to-file system harms individual and small-scale inventors because they could not afford the cost of continuously filing applications in order to be first to file.¹⁹⁶ Even the current bill's sponsors have acknowledged that the switch will pose problems for small inventors.¹⁹⁷ Since many patents are issued to small-scale and individual inventors, overall innovation would actually be impeded as they simply choose not to invent in the face of losing the profits that result from patenting.¹⁹⁸ Accordingly, it appears that practical application of the first-to-file system does more to frustrate the patent system's constitutional purposes, rather than foster them.

The Commerce Clause and treaty ratification provisions of the Constitution have been identified as possible avenues to effectively work around the IP Clause. The Commerce Clause avenue relies on the principle that Congress's lack of authority to legislate under one of its enumerated powers does not preclude its deriving that authority from another such provision.¹⁹⁹ Specifically, they cite use of the Commerce Clause to justify the constitutionality of the Lanham Act when previous trademark legislation was struck down by the Supreme Court as outside the

194. F. Scott Kieff, *The Case for Registering Patents and the Law and Economics of Present Patent-Obtaining Rules*, 45 B.C. L. REV. 55, 96 (2003).

195. *Id.* at 97.

196. Simon, *supra* note 187, at 146.

197. 153 CONG. REC. at E773 (Apr. 18, 2007) (statement of Rep. Berman).

198. Doug Harvey, *Reinventing the U.S. Patent System: A Discussion of Patent Reform through an Analysis of the Proposed Patent Reform Act of 2005*, 38 TEX. TECH. L. REV. 1133, 1142 (2006).

199. Timothy R. Holbrook, *The Treaty Power and the Patent Clause: Are There Limits on the United States' Ability to Harmonize?*, 22 CARDOZO ARTS & ENT. L.J. 1, 22 (2004) (citing *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241, 250 (1964)).

scope of the IP Clause.²⁰⁰ The problem with using the Commerce Clause, however, is that it would create a “horizontal conflict,” in which it is unclear where Congress’s IP power ends and its commerce power begins due to a dearth of jurisprudence on this issue.²⁰¹ On the other avenue, proponents of placing patent reform under Congress’s treaty power argue that in a completely harmonized global patent system, a patent becomes a supranational, not a national, right. As a result, the IP Clause cannot apply, making the treaty power Congress’s only available tool.²⁰² This, however, largely depends on viewpoint – the source of the patent right shifts within the Constitution depending on whether one views it from a national or supranational perspective. Such dependence on subjectivity makes use of the treaty power tenuous at best. Furthermore, as both domestic and international law stand now, a patent is clearly a national right, so use of the treaty power to justify the switch to a first-to-file system is based on a speculative future perspective, not current reality.

Use of both provisions to affect patent jurisprudence is also controversial because constitutional jurisprudence has allotted Congress extremely broad commerce and treaty powers, giving rise to arguments that such broadness impinges upon federalism inherent in the Constitution.²⁰³ There is also another, more basic, constitutional argument against their use. The IP Clause is, to quote Justice Blackmun, “only one part of an entire Constitution, . . . [e]ach provision of the Constitution is important, and I cannot subscribe to a doctrine of unlimited absolutism for [one provision] at the cost of downgrading other provisions.”²⁰⁴ Use of other constitutional provisions to effectively redefine established IP Clause jurisprudence seems to smack of the “emanations and penumbras”²⁰⁵ whose use has caused so much controversy in the political arena. Controversy cannot be afforded in the area of patents, where tangible economic benefits for millions are at stake.

200. *Id.* (citing *The Trademark Cases*, 100 U.S. 82 (1879)).

201. *Id.* at 22-26.

202. *Id.* at 39.

203. *Id.* at 32.

204. *N.Y. Times, Co. v. United States*, 403 U.S. 713, 761 (1971) (Blackmun, J., dissenting).

205. *Griswold v. Conn.*, 381 U.S. 479, 484 (1965).

Real economic loss could occur if the courts stray from the IP Clause and seek justification for the first-to-file system in other constitutional provisions, sweeping away clarity and certainty in the process.

This Article makes no attempt to judge which system of constitutional interpretation is best in general. As far as judging the system best aligned with the goals of the IP Clause, however, the analysis clearly favors the more traditionalist interpretations of “Inventor” as interpreted according to the current first-to-invent rule. That interpretation has the force of history and established jurisprudence behind it, and spawns less jurisprudential uncertainty and controversy than its teleological alternative, which fails to fulfill the purposes of the IP Clause.

2. The Morality Argument

Another prominent argument that proponents of the current first-to-invent system utilize is based on abstract principles of justice: that there can only be one true inventor of any patentable subject matter, and it is inherently right that only that person may have rights to it. This argument is not to be conflated with the natural law theory of invention, an idea expressly refuted by Thomas Jefferson, the drafter of the 1793 Patent Act:

If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea, which an individual may exclusively possess as long as he keeps it to himself; but the moment it is divulged, it forces itself into the possession of every one, and the receiver cannot dispossess himself of it. Its peculiar character, too, is that no one possesses the less, because every other possesses the whole of it Inventions then cannot, in nature, be a subject of property. Society may give an exclusive right to the profits arising from them, as an encouragement to men to pursue ideas which may produce utility, but this may or may not be done, according to the will and convenience of the society, without claim

or complaint from anybody.²⁰⁶

Following Jefferson's logic, then, patent protection is not a natural right. What the proponents of this argument assert is something analogous to what Chief Justice Marshall called "principles of abstract justice."²⁰⁷ One way to judge how each system measures up according to this standard is to conduct a utilitarian "lesser of two evils" test and analyze the harm done under each. Under a first-to-invent system, a subsequent inventor may have his patent invalidated if it can be proven that another invented the same subject of the patent before he did. Under a first-to-file system, a first inventor can be denied patent rights on his invention if another files a patent application for the same subject matter before he does. Thus, the first-to-invent system can invalidate a patent, while a first-to-file system can render a first invention meaningless. Put another way, a first-to-file system can deny an inventor his very right to use invention, rather than merely his right to monopolize it. Loss of the right to use the invention is tantamount to the loss of the invention itself, whereas loss of a right to monopolize does not carry away with it any other rights – to use or possess, for example. It therefore follows that first-to-file systems have the potential to cause greater harm to inventors by essentially depriving them of their inventions.²⁰⁸ Thus, the harms resulting from implementing the first-to-file system weigh heavier in the classical abstraction of the scales of justice, tipping them in favor of the first-to-invent system.

Another analysis under the "moral rights" approach is to look at

206. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 9 n.2 (1966) (quoting Letter from Thomas Jefferson to Isaac McPherson (Aug. 1813), in VI WRITINGS OF THOMAS JEFFERSON, at 180-81 (Washington, ed.)).

207. *Johnson v. M'Intosh*, 21 U.S. 543, 572 (1823). In *M'Intosh*, the United States government granted land to the defendant, who was then sued by the plaintiffs, who were granted the same piece of land by the Piankeshaw Indians years earlier. *See id.* at 571-72. In holding that the Indians, under the common law of property, had no valid title by which to grant the land, Chief Justice Marshall wrote the following: "[I]t will be necessary, in pursuing this inquiry, to examine, not singly those principles of abstract justice, . . . but those principles also which our own government has adopted . . ." *Id.* at 572.

208. *See* F. Andrew Ubel, *Who's on First? – The Trade Secret Prior User or a Subsequent Patentee*, 76 J. PAT. & TRADEMARK OFF. SOC'Y 401, 417 (1994).

the grounding of a patentee's rights. A right of prior use (that is, the right of a first inventor to use his invention) can be viewed as conceptually independent from a right to a patent – the former vests naturally upon creation and use of the invention, while the latter is a fiction created by statute.²⁰⁹ In a first-to-invent system, the two rights are inseparable, the right to patent being defined by the right of prior use and thus protecting it.²¹⁰ Under the first-to-file system, however, the statutory fiction is the only basis for the right to a patent, since filing date has no concrete definition outside of what the statute sets forth.²¹¹ Thus, the first-to-invent system ties the inventor's rights to a concept of moral right arising out of the fact of his having invented, which is much firmer philosophical grounding than the first-to-file system's granting of monopoly rights based on an arbitrarily defined fiction such as "filing date." Furthermore, the first-to-invent system's nullification of patents granted to first filers who were second inventors is logically consistent with that system's coupling of the prior use and patent rights: if the two rights are inseparable, then the second inventor cannot retain the patent right when he is not entitled to the prior use right.

Proponents of the moral basis of the first-to-invent system point out that most European²¹² and industrialized Asian²¹³ countries, all of which have adopted first-to-file systems, also create a statutory right of prior use – that is, first inventors are excepted from the penalties of infringement on a patent granted to a subsequent inventor who was first to file.²¹⁴ They argue that these nations have adopted the first-to-file system only for its convenience, and the prior user rights exceptions demonstrate an international consensus recognizing the superiority of the prior user's right.²¹⁵

209. *Id.* at 433.

210. *Id.*

211. *Id.*

212. Austria, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. Ireland only acknowledges prior user rights of the Irish government. *Id.* at 434.

213. China, Hong Kong, Japan, South Korea, Malaysia, Singapore, and Taiwan. India and New Zealand only acknowledge prior user rights of their respective governments. *Id.* at 434-35.

214. Ubel, *supra* note 208, at 434-35.

215. *Id.* at 433-35.

That so many first-to-file countries allow for the prior use exception indicates at least general discomfort with the fairness of an absolute first-to-file system, and a recognition that certain equitable concepts require retaining at least some vestige of the first-to-invent rule.

V. CONCLUSION

The foregoing arguments given to support maintaining the current first-to-invent system are more persuasive chiefly because of their reliance on principle. They rely on a textually loyal and historically sound interpretation of the Constitution, as well as a simple but powerful conception of justice with respect to first inventors' rights to their invention. The arguments offered to bolster the first-to-file system make facially compelling appeals to efficiency, but closer examination of these claims reveal them to be unsupported by statistical studies of interference cases. When these appeals to efficiency falter, all the first-to-file proponents are left with is the bandwagon argument that conforming to international norms will increase international cooperation. True or not, this is a policy argument, not a legal one, and the legal arguments against the first-to-file system are too numerous and weighty to be trumped by policy.

The uniquely American first-to-invent system should not be thrust aside for any perceived benefits of its alternative. The security of a centuries-old tradition of well-settled first-to-invent jurisprudence adds an element of certitude and stability to that approach. As attractive as harmonization may appear to some, adopting a first-to-file system would only serve to abandon the constitutional goals of the patent system, cede away sovereignty on how to direct our own domestic patent system, harm individual and small-scale inventors, and rob first inventors in most instances of what ought rightfully to be theirs. Any perceived benefits of the new legislation's proposed switch to a first-to-file system are not worth these massive detriments.

Adam J. Sedia

