

“First-to-File”: Is the *America Invents Act* Constitutional under *Stanford v. Roche*?*

*“Although much in intellectual property law has changed in the 220 years since the first Patent Act, the basic idea that inventors have the right to patent their inventions has not. * * * It is equally well established that an inventor can assign his rights in an invention to a third party”*

Chief Justice John Roberts (*Stanford v. Roche*)**

Harold C. Wegner***

‘First inventor to file’ has come to the cusp of reality through the possible passage this week by the full House of Representatives of the *America Invents Act*, H.R. 1249, which would *maintain* the requirement that a patent be awarded to a true inventor but amongst independent inventors the reward would be to the first of these independent inventors to file, consistent with the Constitutional mandate of Art. I, § 8, cl. 8 that empowers Congress to create laws to protect “Inventors” for their discoveries that “Promote the Progress of . . .the Useful Arts.”

* This paper represents the personal views of the author and does not necessarily reflect the views of any colleague, organization or client thereof.
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** *Board of Trustees of Leland Stanford Junior University v. Roche Molecular Systems, Inc.*, __ S.Ct. __, 2011 Westlaw 2175210 (2011)(Roberts, C.J.). A more complete extract from the opinion is found as an Appendix to this paper.

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Wegner, First-to-File Constitutionality under *Stanford v. Roche*

This paper commences with the very recent Supreme Court decision in *Stanford v. Roche* which contains *dictum* dealing with the right of the inventor to a patent. See § A, *Chief Justice Roberts Dictum in Stanford v. Roche*.

The suggestion is also made that the current system invariably favors the *first* inventor amongst several independent and true inventors, but this is simply not true. See § B, *The “First Inventor” System does not Invariably Favor a “First” Inventor*.

Finally, there are indeed policy arguments that undergird both the “first inventor” and “first inventor to file” systems; but, the Courts have made clear that this is precisely the type of debate better left to Congress; it is Congress that should fill in the spaces left open by the Constitution to fulfill the Constitutional purpose. See § C, *The Supreme Court Leaves Policy Debates to the Congress* .

A. Chief Justice Roberts *Dictum* in *Stanford v. Roche*

Now, coupled with the march of the *America Invents Act* toward the floor of the House of Representatives, concurrently there is *dictum* from the Chief Justice of the United States that is being cited in support of an argument that first-inventor-to-file is Unconstitutional based upon his recent opinion in *Stanford v. Roche*.

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A close inspection of *Stanford v. Roche* shows that the *holding* has absolutely nothing to do with the first-to-file versus first-to-invent debate, but rather deals with *ownership* of an invention that was without question by someone who was both a first inventor and first-to-file. Thus, anything said about the principles of the rights of the inventor in the context of first inventor versus first-to-file is *dictum*.

The *dictum* has nothing to do with any *Constitutional* requirement mandating either first inventor or first-inventor-to-file; indeed, in the passages dealing with the right of the inventor to a patent, there is *nothing* stated about the Constitutionality of the patent laws.

To the extent that the history of the patent laws reflected in *Stanford v. Roche* echoes practice based upon the Constitution, there is also nothing stated in the opinion that denies the right of a true, independent inventor to a patent if he is first-to-file but second to invent. (To be sure there is a quotation of the current statute requiring an *oath* by the inventor which includes a requirement that he state that he is the “first inventor”.)

B. “First Inventor” System does not Invariably Favor a “First” Inventor

The current “first inventor” system is not a truly “first” inventor system in the sense that in neither the current system nor first-inventor-to-file does the “first” inventor invariably gain a valid patent right vis a vis a second, independent inventor. There are various examples under the current “first inventor” system where a true inventor who is the *first* inventor is denied a patent in favor of a third party.

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In the context of a priority contest between two, true and independent inventors, the current system awards the patent to the second-to-file as part of the “first inventor” system where the first inventor was spurred into filing because he learns of the second inventor’s patent application or where he observes the commercial activity of the second inventor. *Apotex USA, Inc. v. Merck & Co., Inc.*, 254 F.3d 1031, 1038 n. 2 (2001) (“[S]uppression or concealment [to deny a patent to the first inventor] arises in a situation in which the first inventor is “spurred” into filing a patent application by another application, *Mason v. Hepburn*, 13 App.D.C. 86 (D.C.Cir.1898), or by the commercial activity of another, *Woofter v. Carlson*, 367 F.2d 436, 445-446 (CCPA 1967).”)

If a true second inventor files a patent before a true first inventor who has secretly commercialized the invention for more than one year the subsequent filing by the first inventor will be denied under the *Metallizing Engineering* doctrine that has been acknowledged by the Supreme Court in several cases: “[I]t is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 68 (1998)(quoting *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2nd Cir. 1946)(L. Hand, J.).

C. The Supreme Court Leaves Policy Debates to the Congress

To be sure, much of the debate in Congress focuses upon whether it represents good *policy* to shift to a first-inventor-to-file system in the face of two centuries of tradition under a first inventor system. Indeed, there are arguments that can be made on both sides of the fence on this issue. Yet, it is *Congress* that should decide such policy debates and not the courts on Constitutional grounds: The Patent and Copyright Clause of the Constitution, Art. I, § 8, clause 8, gives Congress wide discretion as to the manner it chooses to implement laws to “Promote the Progress of ... the Useful Arts.”

Even an extreme Congressional enactment such as the retroactive extension of copyright terms has been held to be Constitutional as “a rational enactment; we are not at liberty to second-guess congressional determinations and policy judgments of this order, however debatable or arguably unwise they may be.” *Eldred v. Ashcroft*, 537 U.S. 186, 208 (2003). *A fortiori* a policy-based determination to award a patent to a true inventor who is second-to-file falls under the safeguard of the *Eldred* case.

Appendix:
Board of Trustees of Leland Stanford Junior University

v.

Roche Molecular Systems, Inc.

__ S.Ct. __, 2011 Westlaw 2175210

United States Supreme Court, 2011

ROBERTS, Chief Justice:

Since 1790, the patent law has operated on the premise that rights in an invention belong to the inventor. * * *

Although much in intellectual property law has changed in the 220 years since the first Patent Act, the basic idea that inventors have the right to patent their inventions has not. * * * The inventor must attest that ‘he believes himself to be the original and first inventor of the [invention] for which he solicits a patent.’ [35 USC] § 115. In most cases, a patent may be issued only to an applying inventor, or—because an inventor's interest in his invention is ‘assignable in law by an instrument in writing’—an inventor's assignee. [35 USC] §§ 151, 152, 261.

Our precedents confirm the general rule that rights in an invention belong to the inventor. See, e.g., *Gayler v. Wilder*, 51 U.S.(10 How. 477), 493 (1851) (‘the discoverer of a new and useful improvement is vested by law with an inchoate right to its exclusive use, which he may perfect and make absolute by proceeding in the manner which the law requires’); *Solomons v. United States*, 137 U.S. 342, 346 (1890) (‘whatever invention [an inventor] may thus conceive and perfect is his individual property’); *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 188 (1933) (an inventor owns ‘the product of [his] original thought’). The treatises are to the same effect. See, e.g., 8 Chisum on Patents § 22.01, p. 22–2 (2011) (‘The presumptive owner of the property right in a patentable invention is the single human inventor’).

It is equally well established that an inventor can assign his rights in an invention to a third party. See *Dubilier Condenser Corp.*, supra, at 187 (‘A patent is property and title to it can pass only by assignment’); 8 Chisum on Patents, supra, § 22.01, at 22–2 (‘The inventor ... [may] transfer ownership interests by written assignment to anyone’). Thus, although others may acquire an interest in an invention, any such interest—as a general rule—must trace back to the inventor.