

## THE END OF THE FIRST-TO-INVENT RULE: A CONCISE HISTORY OF ITS ORIGIN

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### ABSTRACT

Over the past decade, several proposals to harmonize U.S. patent law with the rest of the world's patent laws have been successful. The resulting amendments have changed many substantive rules of patent law in the United States, including novelty and loss of rights provisions, confidentiality of pending applications and term length. There is, nonetheless, one rule of patent law in the United States that has repeatedly withstood proposals for amendment, beginning at least in the 1960s and continuing through 2005: the first-to-invent rule of priority. On what seems to be the eve of its demise, this article maps out the extraordinary history of this singular American institution.

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## INTRODUCTION

Over the past decade, several proposals to harmonize U.S. patent law with the rest of the world’s patent laws have been successful.<sup>1</sup> The resulting amendments have changed many substantive rules of patent law in the United States, including novelty and loss of rights provisions,<sup>2</sup> confidentiality of pend-

<sup>1</sup> See American Inventors Protection Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501 (1999) (codified as amended in scattered sections of 35 U.S.C.); Uruguay Round Agreements Act of 1995, Pub. L. No. 103-465, 108 Stat. 4809 (1994) (codified as amended in scattered sections of 35 U.S.C.).

<sup>2</sup> See American Inventors Protection Act § 4505, 113 Stat. 1501 (codified at 35 U.S.C. § 102(e) (2006)).

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ing applications<sup>3</sup> and term length.<sup>4</sup> There is, nonetheless, one rule of patent law in the United States that has repeatedly withstood proposals for amendment, with more recent challenges beginning in the 1960s and continuing through to when this article went to publication in 2009—namely, the *first-to-invent* rule of priority.<sup>5</sup> This article tells the story of how the United States came to adopt its first-to-invent rule, and explains some of the ideological reasons for its attachment to the rule.

All systems of property law include a rule of priority.<sup>6</sup> For patents of invention<sup>7</sup> to be treated as a system of property rights, some rule of priority had

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<sup>3</sup> See *id.* § 4503 (codified as amended at 35 U.S.C. § 122 (2006)) (providing for publication of applications).

<sup>4</sup> See *id.* § 4402 (codified as amended at 35 U.S.C. § 154 (2006)); Uruguay Round Agreements Act § 532(a)(1), 108 Stat. 4983 (1994) (codified as amended at 35 U.S.C. § 154 (2006)) (providing patent term of twenty years from date of filing).

<sup>5</sup> See S. 1691, 90th Cong. (1967); H.R. 5924, 90th Cong. (1967); see also Patent Reform Act of 2007, S. 1145, 110th Cong. (2007); H.R. 1908, 110th Cong. (2007); Patent Reform Act of 2005, H.R. 2795, 109th Cong. (2005); Patent System Harmonization Act of 1992, H.R. 4978, 102d Cong. (1992). Congressional hearings regarding problems with the first-to-invent rule of priority date back even earlier. See, e.g., *The American Patent System: Hearings Before the Subcomm. on Patents, Trademarks, and Copyrights of the S. Comm. on the Judiciary*, 84th Cong. 287–91 (1955) (relating the seventeen-year history of an interference proceeding involving U.S. Patent No. 2,705,484). Charles Gholz recounts that the father of Judge Giles Rich (also a patent lawyer) predicted that the United States would switch from first-to-invent to first-to-file in the 1930s. Charles Gholz, *First-to-File or First-to-Invent?*, 82 J. PAT. & TRADEMARK OFF. SOC'Y 891, 891 (2000).

<sup>6</sup> Copyright and trade secrets, however, present some difficulties for this assertion. In the case of trade secrets, independent development is an established defense. See *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 476 (1974). Priority disputes over trade secret ownership simply do not arise except in the context of some other body of state or federal law, such as secured credit, bankruptcy or contract. In the case of copyright, there is a recording act. See 17 U.S.C. §§ 205(d), (e) (2006). But there is no case that I know in which precisely identical expressive works have been independently created and claimed. In general, independent authorship exists as an affirmative defense to infringement, not as a rule of priority for initial allocation of ownership. For a hypothetical case already decided by Learned Hand, see *Sheldon v. Metro Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir. 1936).

<sup>7</sup> Today, the term *patents* is used almost exclusively by lawyers and laypersons alike to refer to patents of invention. In the late eighteenth century, however, patents of invention were known (at least by lawyers) to be only one of a larger family of *litterae patentes* (Latin for “open letters”) from the sovereign that were used to confer “lands, honours, liberties, franchises, or ought besides.” 2 WILLIAM BLACKSTONE, COMMENTARIES ON THE LAWS OF ENGLAND 346 (Univ. of Chi. Press 1979) (1768). For example, many of the municipal corporations that existed in England during the eighteenth century were chartered by the grant of letters patent. A.W. Brian Simpson, *How the Corporation Conquered John Bull*, 100 MICH. L. REV. 1591, 1592 (2002). So too were many of the colonial governments in North America. See DONALD S. LUTZ, THE ORIGINS OF AMERICAN CONSTITUTIONALISM 20 (“A charter

to be adopted to deal with the disputes that arose when more than one person claimed the same invention. In the United States, nearly all<sup>8</sup> such disputes are handled within the Patent and Trademark Office (“PTO”) through what are called *interference proceedings*, or *interferences* for short. To anyone unfamiliar with patent law, the frequency with which such disputes occur may be startling. Sixty-four interference proceedings were pending at the end of 2008, with sixty-six declared in the same year.<sup>9</sup> The length and complexity of interference proceedings can also be startling. Although many interference proceedings settle, others last for years, even decades.<sup>10</sup> Each interference proceeding is decided by a panel of three administrative law judges<sup>11</sup> who sit on the Board of Patent Appeals and Interferences (“BPAI”) within the PTO.<sup>12</sup> Over the years, the BPAI has developed an elaborate and intricate set of substantive and procedural rules for handling interferences, most of which remain arcane even to the patent lawyers who spend their entire careers prosecuting patent applications before the PTO.<sup>13</sup> Indeed, the U.S. patent bar includes a small, but handsomely paid, group of patent lawyers who specialize in handling interference proceed-

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was invariably a patent, but a patent was not necessarily a charter.”); *id.* at 35 (“During the colonial era, external documents—the charters, patents, and ordinances written in England for the colonists—dealt with . . . constitutional functions.”). Most importantly for purposes of this article, throughout Europe so-called “patents of importation” were granted, conferring exclusive rights upon foreign introducers of new technology. *See generally* Frank D. Prager, *A History of Intellectual Property from 1545 to 1787*, 26 J. PAT. & TRADEMARK OFF. SOC’Y 711 (1944).

<sup>8</sup> To handle interfering claims that issue without the PTO first declaring an interference proceeding, U.S. patent laws provide patentees with the right to seek relief through a civil action in federal district court. 35 U.S.C. § 291 (2006). The loser of an interference proceeding has the same right. *Id.* § 146.

<sup>9</sup> USPTO Board of Patent Appeals and Interferences Process Production Report (2008), <http://www.uspto.gov/go/dcom/bpai/docs/process/fy2008.htm> (last visited Feb. 2, 2009).

<sup>10</sup> *See Hyatt v. Boone*, 146 F.3d 1348, 1352 (Fed. Cir. 1998) (twenty-eight years). One commentator suggests that the *Hyatt v. Boone* interference led to the appointment of an advisory commission whose 1992 recommendations included a proposal for the United States to adopt a first-to-file rule of priority. FRED WARSHOFSKY, *THE PATENT WARS: THE BATTLE TO OWN THE WORLD’S TECHNOLOGY* 60–61 (1994).

<sup>11</sup> First styled “administrative patent judges” by the Board itself, that term was later codified in the statute. *See* Pub. L. No. 110-313, 122 Stat 3014 (2008) (codified as 35 U.S.C. § 6) (“Appointment of Administrative Patent Judges and Administrative Trademark Judges”).

<sup>12</sup> *See* 35 U.S.C. § 6 (2006); *see also* 37 C.F.R. § 41.2 (2008).

<sup>13</sup> *See, e.g.*, DAVID A. BURGE, *PATENT AND TRADEMARK TACTICS AND PRACTICE* 92–93 (3d ed. 1999) (“There has long been a debate as to whether the opportunity to participate in an interference is beneficial to U.S. applicants, for a first-to-file system would eliminate the need for these costly and complex contests.”).

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ings.<sup>14</sup> The purpose for all the time and money spent on interference proceedings is to decide who between or among a group of inventors<sup>15</sup> should be awarded priority as the *first to invent*.

Perhaps the most startling fact about interference proceedings is that they are not a practical necessity. To wit, although most nations in the rest of the developed world now have property systems that include rules of priority for patents of invention, the United States is alone in using interference proceedings to decide priority disputes between or among inventors.<sup>16</sup> In the rest of the

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<sup>14</sup> A switch to the first-to-file rule of priority would, practically speaking, force interference specialists to find other work. What economic effect a switch might have on patent lawyers in general is more difficult to say. See, e.g., Gholz, *supra* note 5, at 892 n.1. Aside from the historical argument presented in this article, there is a public choice theory explanation for why the first-to-invent rule of priority has withstood repeated calls for amendment. Interference specialists are both the group most likely to be hurt by a switch to the first-to-file system and the group most likely to be consulted about the probable consequences of a switch. In fact, Mr. Gholz was recently begging Congress to consult him on the provisions of the proposed legislation before the Senate in 2009. See Charles Gholz, *Gholz: Linking Post-Grant Review with Interference Procedure*, <http://www.patentlyo.com/patent/2009/03/gholz-linking-post-grant-review-with-interference-procedure.html> (“In sum, I’d like to express my hope that the drafters of the two bills will consult with experts on interference law and practice, both in the PTO and in the private bar, before passing either version of the bill.”). This kind of public choice argument, of course, is not mutually exclusive with the arguments I make in this article.

<sup>15</sup> Normally, interferences are declared between two parties, each of which may represent an “inventive entity” of one or more inventors who contributed to the conception of the claimed invention. Occasionally, however, interferences are declared between three or more parties. See, e.g., *Standard Oil Co. v. Montedison, S.p.A.*, 494 F. Supp. 370 (D. Del. 1980) (five-party interference over invention of solid crystalline polypropylene); *Fiers v. Revel*, 984 F.2d 1164 (Fed. Cir. 1993) (three-party interference over invention of DNA which codes for human fibroblast interferon-beta peptide).

<sup>16</sup> Gerald J. Mossinghoff & Vivian S. Kuo, *World Patent System Circa 20XX, A.D.*, 38 IDEA 529, 548 (1998). The United States’ first-to-invent rule of priority is now unique in the world. *Id.* Older commentaries report that a version of the first-to-invent rule is followed in Canada and the Philippines. See, e.g., George E. Frost, *The 1967 Patent Law Debate—First-to-Invent vs. First-to-File*, 1967 DUKE L.J. 923, 925 n.7 (1967). The law in the Philippines, however, appears to provide only an affirmative defense of prior invention analogous to the novelty rules of 35 U.S.C. §§ 102(a), (e), (g)(2) (2006) and not the first-to-invent rule of priority recognized in 35 U.S.C. § 102(g)(1) applied by either the PTO, or the federal courts under 35 U.S.C. §§ 135 and 291, respectively. *Id.* Thus, only Canada joined the United States in applying a first-to-invent rule in priority disputes. The Canadian first-to-invent rule differed from the U.S. rule, however, by deeming the act of invention complete with conception. See *Christiani v. Rice*, [1930] S.C.R. 443, 456 (Can.) (“The holding here, therefore, is that by the date of discovery of the invention is meant the date at which the inventor can prove he has first formulated, either in writing or verbally, a description which affords the means of making that which is invented.”). A reduction to practice is required in the United

world, priority is awarded mechanically to the inventor first to file an application for patent, and there is no need to investigate and supply evidence of inventorship beyond the application for patent.<sup>17</sup>

The story of how the United States came to adopt its unique rule of priority is full of fascinating details that, in turn, have broader implications for the entire patent system. In summary, however, the story can be explained as an answer to the need for a rule of priority that could accommodate both the federalist form of sovereignty adopted in our Constitution and the natural law theory of rights that was influential to the founding generation. Although either the need to accommodate the dual sovereignty of states and federal government or the natural law theory of rights alone might have been sufficient to establish the first-to-invent rule of priority in the early eighteenth century, both appear to have played a role in the history of the rule.

To avoid any misunderstanding, let me state upfront that I see no constitutional or practical reason that should prevent a first-to-file rule of priority from being adopted by the United States. Rather, this article explains how a first-to-file rule would have been politically inconvenient to the members of the first interference board. In particular, were it not for the dual sovereignty of state and federal governments established by the Constitution, inventors might have had to settle for a first-to-file rule of priority applied by each state within its territory.

The remainder of this article is divided into two parts. Part I tells the story of how rules of priority in patent law developed first in England and colonial America and later in the states under the Articles of Confederation. Because many of the earliest patents granted in England were patents of importation, the concept of awarding patents only to the person first to invent would have seemed odd to the English. Part I further tells how the Constitution was drafted and ratified at the same time that a major priority dispute over the invention of the steamboat was unfolding in the states. Since multiple states had previously granted patents to different inventors for at least similar inventions, inventors were scrambling to obtain nationwide patents from the new federal government. It was not until after the first board of patent examiners<sup>18</sup> had to deal

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States. 35 U.S.C. § 102(g). But Canada, on October 1, 1989, abandoned its first-to-invent rule in favor of a first-to-file rule of priority. Canadian Patent Act, R.S.C., ch. P-4, s. 28.2 (1985), *amended by* 1993 S.C., ch. 15, s. 33.

<sup>17</sup> See Mossinghoff & Kuo, *supra* note 16, at 548.

<sup>18</sup> The board consisted of Secretary of State Thomas Jefferson, Attorney General Edmund Randolph and Secretary of War Henry Knox. Press Release #02-26, United States Patent and Trademark Office, The U.S. Patent System Celebrates 212 Years (April 9, 2002), [www.uspto.gov/web/offices/com/speeches/02-26.htm](http://www.uspto.gov/web/offices/com/speeches/02-26.htm) (last visited Apr. 13, 2009).

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with the steamboat priority dispute that Congress adopted a form of interference proceedings and a first-to-invent rule of priority. The political problem of declaring a winner when different states had taken different sides was effectively avoided when the first patent board ignored filing dates in the states and, instead, granted the rights to the first to invent the particular subject matter claimed.

Part I provides much of the historical background needed for Part II. Beyond its political expedience, a first-to-invent rule of priority fits well within the framework of natural law. Proponents of natural law held that inventors had what we might today call moral rights to their inventions, rights which preceded the ratification of any Constitution or enactment of laws. No historical documents provide the views of the founding generation on the specific question of whether the first-to-invent rule of priority was adopted because of natural law theories. Nonetheless, the founding generation's various comments on the intellectual property clause of the Constitution reveal a divide in their understanding of the ideological basis for the rights of inventors. On the one hand, advocates of natural law took the view that the intellectual property clause granted Congress authority to protect, through patents, the rights that inventors otherwise had at common law in the states. On the other hand, advocates of positive law took the view that the intellectual property clause granted Congress authority to create a property right in patents for inventors that would not otherwise exist. Although it is positive law that prevails today, the vestigial limbs of natural law ideology persist in the form of interference proceedings and the first-to-invent rule of priority.

Part III briefly summarizes the position presented in this article and suggests how this position might influence debates over whether the first-to-invent rule of priority should be dropped in favor of the first-to-file rule followed in the rest of the world.

## **I. FEDERALISM AND THE FIRST-TO-INVENT RULE**

### **A. *Priority in England Before 1790***

#### **1. Early Patent Custom**

The first patent law in the United States was preceded by over 500 years of patents in England.<sup>19</sup> It is impossible to fully understand the task faced by the

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<sup>19</sup> Henry III granted, in 1236, what appears to be a patent of importation to Bonafusus de Sancta Columba and his associates for "a fifteen-year exclusive privilege to make fabrics of various

early drafters of patent laws in the United States without knowing at least some of the history of patent law in England before 1790. English patent law had not only practical value as precedent, it had political valence as privilege. Privilege was associated with monarchy.

Perhaps the most important fact about the history of patents in England before the eighteenth century is that patents were not thought of as property rights.<sup>20</sup> Rather, a patent was simply one form of privilege that a sovereign monarch had the power to confer by the royal prerogative. The discretionary grant of patents of invention was more customary than systematic in England before the seventeenth century.<sup>21</sup> The earliest patents granted in England were patents of importation—monopoly privileges granted to foreign artisans or guilds in exchange for introducing products or processes not before known to England.<sup>22</sup> But soon thereafter, the crown began to grant patents to domestic artisans or guildsmen who had invented new products or processes.

As sources of revenue dwindled and patents became both more important and more common as a means to political influence, the crown gradually developed customs for determining when and how to grant patents. Such customs may have come closest to their perfection during the reign of Elizabeth I,

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colors in Bordeaux, using Flemish, French, and English cloth-manufacturing methods,” and “to control all imports of wool, dye, or textile-making equipment into Bordeaux during that time.” BRUCE W. BUGBEE, *GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW* 14 (1967). The Commune of Bordeaux was then under English rule. *Id.* John Utynam, a Flemish stained glassmaker, received in 1449 a grant of royal protection and exclusive privilege to practice stained glassmaking in England in exchange for instructing Englishmen in the art, which was avowedly unknown before then in England. *Id.* at 15. The earliest known patent of invention, however, appears to have been the grant by private statute of the Republic of Florence on June 19, 1421 to Filippo Brunelleschi for a ship, popularly known as the “Badalione,” which translates (roughly) to “seagoing monster,” for transporting, loading and unloading heavy objects on a river. *Id.* at 17–19. The earliest general patent statute was enacted in Venice on March 19, 1474. *Id.* at 22. The Venetian statute was far ahead of its time, incorporating modern features such as examination, novelty and enablement requirements, limited term, infringement remedies and government march-in rights. *Id.* at 22–23; see ROBERT MERGES & JOHN DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 4 (3d ed. 2002) (reproducing text of Venetian Act of 1474).

<sup>20</sup> The United States Patent Act of 1793 appears to be the first patent statute anywhere in the world to call patents *property*. Patent Act of 1793, ch. 11, 1 Stat. 318, 318–23 (1793).

<sup>21</sup> See generally CHRISTINE MACLEOD, *INVENTING THE INDUSTRIAL REVOLUTION: THE ENGLISH PATENT SYSTEM, 1660–1800*, at 10–19 (4th ed. 2002).

<sup>22</sup> See *supra* note 19 and accompanying text.



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when William Cecil (later Lord Burghley)<sup>23</sup> undertook both an examination of the prospective effect on domestic industries and of the alleged novelty of the invention prior to granting a patent.<sup>24</sup> Unfortunately, his evaluations of impact on domestic industries were largely unsuccessful.<sup>25</sup> By the seventeenth century, it was apparent, at least to members of Parliament, that patents were being used as a form of patronage to reward the favored subjects of the crown with monopoly profits at the expense of the public at large.<sup>26</sup> One contemporary observed, “the world does ever groan under the burden of perpetual patents, which are become so frequent that whereas, at the king’s coming in there were complaints of some eight or nine monopolies then in being, they are now said to be multiplied by so many scores.”<sup>27</sup> The term *monopoly* itself became a pejorative that was associated with abuse of the royal prerogative.<sup>28</sup>

## 2. The Statute of Monopolies

After a few abortive attempts at self-regulation by the crown<sup>29</sup> and a first attempt blocked by the House of Lords in 1621,<sup>30</sup> Parliament finally passed the Statute of Monopolies in 1624.<sup>31</sup> Parliament’s purpose in passing the Statute of Monopolies was to curtail the crown’s abuse of all letters patent, including not only patents of invention, but patents of importation for the introduction of foreign products and processes (both new and old),<sup>32</sup> patents of registration for

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<sup>23</sup> He served as Secretary from 1558–1572 and as Treasurer from 1572–1598. Dr. Stephen Alford, *Politicians & Statesman II: William Cecil, Lord Burghley (1520-1598)*, <http://www.gale.cengage.co.uk/controls/library/asp?FileID=625> (last visited Apr. 14, 2009).

<sup>24</sup> See MACLEOD, *supra* note 21, at 12.

<sup>25</sup> See *id.* at 14 (noting that Lord Burghley concluded “not to move [the queen] any more to make grants whereof nothing did grow, wherein her honour was touched”).

<sup>26</sup> See *id.* at 14–15.

<sup>27</sup> *Id.* (quoting John Chamberlain). Chamberlain was a “gentleman of modest but independent means” whose letters embody court gossip of the time. PAUL SALZMAN, *LITERARY CULTURE IN JACOBAN ENGLAND: READING 1621*, at 2 (2002).

<sup>28</sup> MACLEOD, *supra* note 21, at 16 (“‘Monopoly’ had become, more than ever, an emotive word, and it retained its pejorative force long after 1660.”).

<sup>29</sup> Queen Elizabeth I promised to revoke the most objectionable patents and relinquish the rest to common law jurisdiction in 1601. *Id.* at 14. After her, James declared self-restraint in the *Book of Bounty* in 1610. *Id.*

<sup>30</sup> *Id.* at 15.

<sup>31</sup> *Id.*

<sup>32</sup> The patent of importation for playing cards granted to Edward Darcy is the most infamous of such patents in the seventeenth century. *Darcy v. Allein (The Case of Monopolies)*, (1603) 77 Eng. Rep. 1260 (K.B.).

the licensing of certain businesses (such as ale houses) and other patents that restricted industrial competition, particularly in export trades.<sup>33</sup> The role that the Statute of Monopolies played in establishing an English system for patents of invention has been called “a curious side-effect, a quirk of history.”<sup>34</sup>

The Statute of Monopolies declared null and void “all monopolies and all commissions, grants, licenses, charters, and letters patents” that were deemed “altogether contrary to the laws of this realm.”<sup>35</sup> The Statute nevertheless excepted “any letters patents and grants of privilege” for the “making of any manner of new manufacture within this realm, to the first and true inventor or inventors of such manufactures which others at the time of making of such letters patents and grants did not use.”<sup>36</sup> These exceptions applied to existing patents of invention granted for a term of less than twenty-one years and to new patents of invention granted for a term of fourteen years or less.<sup>37</sup>

Although the plain meaning of the Statute of Monopolies would seem to preclude patents of importation, the common law courts interpreted the term *first and true inventor* to include an importer of products and processes new to England.<sup>38</sup> The common law courts may have stretched the plain meaning in this way in order to stay consistent with what they had ruled before the Statute was enacted, for courts had already held in 1615 that both patents of importation and patents of invention were exempt from the common law rule against monopolies.<sup>39</sup> This interpretation of the Statute of Monopolies may also have played a role in the development of U.S. intellectual property law, since at least some of the drafters of the U.S. Constitution may have been aware of the law in England. But as described below, the English rules were effectively brushed aside in the United States after the first interference dispute in which each of the parties showed up with patents from several state governments.<sup>40</sup> In effect, the

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<sup>33</sup> See *id.*; see also BUGBEE, *supra* note 19, at 37 (describing patents of registration for salt, saltpeter and train oil, along with wine-taverns).

<sup>34</sup> MACLEOD, *supra* note 21, at 15.

<sup>35</sup> Statute of Monopolies of 1623, 21 Jac. 1, c. 3 (Eng.).

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Edgeberry v. Stephens*, (1691) 2 Salk. 447 (K.B.), discussed in Edward C. Walterscheid, *Priority of Invention: How the United States Came to Have a “First-to-Invent” Patent System*, 23 AIPLA Q.J. 263, 266 (1995) [hereinafter Walterscheid, *Priority of Invention*]; see MACLEOD, *supra* note 21, at 18.

<sup>39</sup> *The Clothworkers of Ipswich Case*, (1615) 78 Eng. Rep. 147, 148 (K.B.), discussed in BUGBEE, *supra* note 19, at 38.

<sup>40</sup> Frank D. Prager, *The Steamboat Interference, 1787–1793*, 40 J. PAT. OFF. SOC’Y 611, 613–15 (1958) [hereinafter Prager, *The Steamboat Interference*]; Frank D. Prager, *The Steamboat*

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rule adopted by the federal government to handle interstate priority disputes was later applied to other nations as well.<sup>41</sup>

It is important to note that the common law courts in England had not established any rule of priority before the late eighteenth century, when the United States adopted the first-to-invent rule.<sup>42</sup> The only precedent approaching a rule of priority in England was a custom followed by the Law Officers (*i.e.*, the Attorney General and Solicitor General) whose approval was necessary to the grant of any patent.<sup>43</sup> The Law Officers kept a “caveat book” of requests that notice be given (to the person who requested the caveat) of the filing of any petition for patent covering a particular subject matter.<sup>44</sup> When a petition for patent was found to cover subject matter for which a caveat had been filed, a form of opposition proceeding was held to determine whether the petition for patent should proceed.<sup>45</sup> At least one historian has surmised that if both parties to such a proceeding had petitioned for the grant of a patent, the Law Officers would have denied both petitions.<sup>46</sup> In any event, it can be said with some certainty that there was no statutory or common law rule of priority in England at the end of the eighteenth century. The rule of priority adopted in the United States was novel.

### 3. The Influence of English Country Party Politics

This is not to say, of course, that English lawyers had no influence on the drafters of U.S. patent law. The influence on the founding generation of

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*Pioneers Before the Founding Fathers*, 37 J. PAT. OFF. SOC'Y 486, 512–15 (1955) [hereinafter Prager, *The Steamboat Pioneers*].

<sup>41</sup> Both domestic and foreign inventors are eligible for patents under U.S. patent law, and the first-to-invent rule of priority does not distinguish between domestic and foreign inventors.

<sup>42</sup> See Walterscheid, *Priority of Invention*, *supra* note 38, at 267 n.10 (stating that none of the English cases reported before 1790 involved priority disputes). *But see* MACLEOD, *supra* note 21, at 46 (recounting a priority dispute in 1722 that resulted in no patent being granted to either party because neither petitioner had “found out any new invention, but only made some improvements in the manner of melting iron ore”). Walterscheid believes that the dispute described by MacLeod was not quite a priority dispute, but rather a form of opposition proceeding held after the filing of a caveat. Walterscheid, *Priority of Invention*, *supra* note 38, at 268.

<sup>43</sup> Walterscheid, *Priority of Invention*, *supra* note 38, at 267.

<sup>44</sup> *See id.* at 267–68.

<sup>45</sup> *Id.* at 268.

<sup>46</sup> *See id.*; *supra* note 42 and accompanying text.

Country Party or Whig Opposition ideology<sup>47</sup> has been documented by historians of the Constitution.<sup>48</sup> Country Party ideology may even have had a more long-lasting influence in the United States than it did in England.<sup>49</sup> In the United States, Country Party ideology begat republican hatred for government corruption in the form of “[s]tanding armies, priests, bishops, aristocrats, luxury, excises, speculators, jobbers, paper shufflers, [and] monopolists,” among others.<sup>50</sup>

Thomas Jefferson played an important role in establishing the first-to-invent rule during the early 1790s.<sup>51</sup> His view of Country Party ideology is, therefore, of particular interest. While in France during the Constitutional Convention, Jefferson wrote to a French inventor who had inquired as to whether the States would be interested in purchasing his invention.<sup>52</sup> Jefferson responded that he was “not authorized to avail [his] country of it by making any offer for its communication.”<sup>53</sup> Jefferson stated that the policy of the States was “to leave their citizens free, neither restraining nor aiding them in their pursuits.”<sup>54</sup> He further explained that “[t]hrough the interposition of government, in matters of invention, has its use, yet it is in practice so inseparable from abuse, that they think it better not to meddle with it.”<sup>55</sup> Shortly thereafter, Jefferson again dem-

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<sup>47</sup> Whig Opposition ideology is often associated with Henry St. John, First Viscount of Bolingbroke (1678–1751). See FORREST McDONALD, *NOVUS ORDO SECLORUM: THE INTELLECTUAL ORIGINS OF THE CONSTITUTION* 77–78 (1986).

<sup>48</sup> See, e.g., GORDON S. WOOD, *THE CREATION OF THE AMERICAN REPUBLIC, 1776–1787*, at 14–17 (1998) (discussing the influence of Whig and Commonwealthmen ideology on the American colonies); McDONALD, *supra* note 47, at 77–80 (recounting the influence of the Whig Opposition ideology on George Washington, Thomas Jefferson, John Adams, Richard Henry Lee, John Dickinson, George Mason and others).

<sup>49</sup> Compare EDMUND BURKE, *REFLECTIONS ON THE REVOLUTION IN FRANCE* 76 (Frank M. Turner ed., Yale Univ. Press 2003) (1790) (“Who now reads Bolingbroke? Who ever read him through?”), with McDONALD, *supra* note 47, at 77–80 (recounting the Whig Opposition influence on the Founding Fathers of the United States).

<sup>50</sup> McDONALD, *supra* note 47, at 77.

<sup>51</sup> Jefferson was one member of the board that decided the first interference proceeding. See discussion *infra* Part I.C.2.

<sup>52</sup> Letter from Thomas Jefferson to Jeudy de L’Hommande (August 9, 1787), *discussed and quoted in* EDWARD C. WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE: A STUDY IN HISTORICAL PERSPECTIVE* 4–5 (2002) [hereinafter WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*].

<sup>53</sup> WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 5. This statement was literally true under the Articles of Confederation, which enumerated few powers for the Continental Congress. *Id.* at n.11.

<sup>54</sup> *Id.*

<sup>55</sup> *Id.* at 4–5.

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onstrated the influence of Country Party ideology when, upon word from James Madison that the Constitution had been ratified, he wrote that “it is better . . . to abolish . . . Monopolies, in all cases, than not to do it in any . . . . [T]he benefit even of limited monopolies is too doubtful to be opposed to that of their general suppression.”<sup>56</sup>

Since Madison was most likely the drafter of the Intellectual Property Clause,<sup>57</sup> his views are of even greater interest. Madison disagreed with Jefferson over the potential for abuse of monopolies under the Constitution, but he also revealed the influence of Country Party ideology by acknowledging that monopolies “are justly classed among the greatest nuisances [sic] in Government.”<sup>58</sup> Madison nonetheless broke both with Jefferson and with Country Party ideology when he questioned whether “as encouragements to literary works and ingenious discoveries” monopolies were “not too valuable to be wholly renounced.”<sup>59</sup> Madison thought so.<sup>60</sup> He gave two reasons. First, the abuse of monopolies could be curtailed by reserving “a right to the public to abolish the privilege at a price to be specified in the grant.”<sup>61</sup> Second, since “[m]onopolies are sacrifices of the many to the few,” there was less danger of abuse “[w]here the power, as with us, is in the many not the few.”<sup>62</sup> Rather, “[i]t is much more to be dreaded that the few will be unnecessarily sacrificed to the many.”<sup>63</sup> Madison thus demonstrated both the influence of and a willingness to depart from the Country Party ideology when it came to temporary monopolies. As discussed below in Part II, Madison’s willingness to part company with Country Party ideology may have been due to his even stronger commitment to theories of natural law.

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<sup>56</sup> Letter from Thomas Jefferson to James Madison (July 31, 1788), *quoted in* WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 6.

<sup>57</sup> WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 107.

<sup>58</sup> Letter from James Madison to Thomas Jefferson (October 17, 1788), *quoted in* WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 6 (alteration in original).

<sup>59</sup> WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 6.

<sup>60</sup> *See id.*

<sup>61</sup> *Id.* Note that although no price is specified for their exercise, the Bayh-Dole Act of 1980 reserves “march-in rights” to the federal funding agencies that relinquish ownership of patents to universities. *See* 35 U.S.C. § 203 (2006).

<sup>62</sup> WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 7.

<sup>63</sup> *See id.*

#### 4. Summary of Priority Rules in England

There was no legal precedent for the first-to-invent rule of priority when it was adopted by the United States.<sup>64</sup> Although patents had been granted in England under the Statute of Monopolies for over 150 years, priority disputes were decided, if at all, off the record.<sup>65</sup>

##### *B. Priority in the Colonies and States*

Notwithstanding their absence in England, there were legal precedents for a rule of priority for patents of invention before the late eighteenth century. The American colonies began issuing patents in the mid-seventeenth century and continued to do so after they became states under the Articles of Confederation. As in England, however, few were patents of invention.<sup>66</sup> Yet by the time the Constitution was ratified, the states had already dealt with several priority disputes.<sup>67</sup>

##### 1. Colonial “Patents”

Looking back, it may seem curious that the colonies should have granted patents at all, since, as described above, the grant of patent privileges was historically associated with the royal prerogative.<sup>68</sup> In fact, the colonial

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<sup>64</sup> See discussion *supra* Part I.A.1–3.

<sup>65</sup> Walterscheid, *Priority of Invention*, *supra* note 38, at 267–68.

<sup>66</sup> See BUGBEE, *supra* note 19, at 57 (“As in Elizabethan and Jacobean England, true patents of invention . . . constituted only a small proportion of . . . colonial grants or awards.”).

<sup>67</sup> See Walterscheid, *Priority of Invention*, *supra* note 38, at 270–301; Prager, *The Steamboat Interference*, *supra* note 40, at 613–15; Prager, *The Steamboat Pioneers*, *supra* note 40, at 512–15.

<sup>68</sup> For this reason, Walterscheid asserts that the privileges conferred by the colonial governments were not considered true patents by the colonists, but rather private legislation that bore certain attributes of patents. See WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 57. But this may be too fine a point, since the term *patents* was later used both by the states and the federal government despite the fact that nobody, not even Alexander Hamilton, was in favor of extending to state or federal government the powers traditionally associated with the royal prerogative. See *THE FEDERALIST* NO. 69 (Alexander Hamilton). If, however, Walterscheid is historically correct in his observation about the use of the term *patents*, it would be consistent with the influence of Country Party ideology described above.

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governments were themselves chartered by letters patent.<sup>69</sup> At least in principle, any authority that colonial governments had to grant patents was derived from their chartering patent. In practice, however, chartering patents were silent on a host of important issues facing the colonial governments, and the colonists were left to themselves in drawing up foundation documents that filled in the blanks.<sup>70</sup> For example, in 1641 the General Court of Massachusetts Bay approved and adopted a Body of Liberties, which included a clause prohibiting monopolies but allowing protection for a limited time for new inventions that benefited society.<sup>71</sup> Five years later, the General Court granted what was probably the first American patent of invention to Joseph Jenks for a water-powered mill.<sup>72</sup> Three more patents were granted in Massachusetts Bay during the 1650s,<sup>73</sup> although few appear to have been granted between then and the early eighteenth century.<sup>74</sup> In contrast with Massachusetts, several colonies did not grant patents, including Delaware, Georgia, New Jersey, New Hampshire and North Carolina.<sup>75</sup> Rhode Island and Virginia granted only patents of importation.<sup>76</sup> But Massachusetts was not alone; Connecticut, Maryland, New York and Pennsylvania all granted patents of invention during the eighteenth century.<sup>77</sup> It was only South Carolina, however, that rivaled Massachusetts in number of patents granted.<sup>78</sup>

Given the number of patents granted by the colonies, it is surprising that there is among them only one record of a priority dispute. Two patents granted by Maryland in 1770, one to John Clayton on October 18 and another to Isaac

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<sup>69</sup> See DONALD S. LUTZ, *THE ORIGINS OF AMERICAN CONSTITUTIONALISM* 35 (1988) (tracing the presence of institutional descriptions in the first written constitutions back to the elements of colonial charters).

<sup>70</sup> *Id.* at 36.

<sup>71</sup> BUGBEE, *supra* note 19, at 61 (“No monopolies shall be granted or allowed amongst us, but of such new Inventions yt are pfitable to ye Countrie, & yt for a short time.” (no alterations)). The clause was adopted seventeen years after the Statute of Monopolies, which it strongly resembles. *Id.* The Statute of Monopolies was most likely its inspiration, although the *Book of Bounty* published by James in 1610 may have served as inspiration for both. *Id.* at 38. The Statute of Monopolies shared a general prohibition with the other documents enunciating that “all monopolies and similar grants . . . were contrary to the laws thereof and therefore void.” *Id.*

<sup>72</sup> *Id.* at 62–63.

<sup>73</sup> *Id.* at 64–65.

<sup>74</sup> *See id.* at 65.

<sup>75</sup> *Id.* at 68–69, 73–74.

<sup>76</sup> *Id.* at 58–59, 68–69.

<sup>77</sup> *Id.* at 69–74.

<sup>78</sup> *Id.* at 75–82.

Perkins on November 2, were both for threshing machines.<sup>79</sup> For each petition, the legislature appointed a committee to examine the invention to determine whether the invention had been reduced to practice and was useful.<sup>80</sup> After examining the second invention of Isaac Perkins, a committee reported that it was “constructed on different Principles than the one exhibited by Mr. John Clayton.”<sup>81</sup> A priority dispute was thus avoided by granting patents narrowly to what each had invented.<sup>82</sup> As described in Part II below, the same approach was less successful when used by Thomas Jefferson in an attempt to resolve a priority dispute over the invention of the steamboat.

## 2. State Patents and the Problem of Territoriality

The Revolutionary War caused such a disruption that no patents were issued during that period.<sup>83</sup> In the 1780s, however, the newly-founded states took up where they had left off as colonies in granting patents.<sup>84</sup> After the break with England, the states each had a desire to build domestic industries and rely less on foreign trade.<sup>85</sup> Societies for the promotion of new industry sprang up in Baltimore, Boston, New York and Philadelphia.<sup>86</sup> Pennsylvania issued its first patent in 1780, and New York followed with a patent to the same inventor later the same year.<sup>87</sup> In 1783, Connecticut issued a patent.<sup>88</sup>

South Carolina is worthy of special mention. The “Act for the Encouragement of Arts and Sciences,” passed into law by South Carolina on March 26, 1784, was the first general patent statute in the United States.<sup>89</sup> Although the Act provided an important model for the first federal patent statute, it gave no rule for deciding priority disputes.<sup>90</sup>

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<sup>79</sup> *Id.* at 73–74.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* at 74.

<sup>82</sup> *Id.* at 73–74.

<sup>83</sup> *Id.* at 84.

<sup>84</sup> *Id.*

<sup>85</sup> *Id.* at 85.

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* at 87.

<sup>88</sup> *Id.* at 88–89 (granting the exclusive right under a provision that prohibited unauthorized use or importation of the invention).

<sup>89</sup> *Id.* at 92–93.

<sup>90</sup> See WALTERSCHEID, *THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE*, *supra* note 52, at 58.



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Under the Articles of Confederation, two approaches were available to a patentee for handling infringement that occurred in multiple states.<sup>91</sup> In the first approach, the patentee would petition for a patent in each state in which infringement occurred.<sup>92</sup> In the second approach, the patentee would petition for a patent in one state but request in the petition that the patent also prohibit the importation of infringing products or permit confiscation of the products of infringing processes.<sup>93</sup> The first approach was more expensive and time consuming. The second approach was weaker and more uncertain. Thus, neither was satisfactory. Interstate commerce had grown so rapidly that in early 1787 an observer noted that “a patent can be of no use unless it is from Congress, and not from them till they are vested with much more authority than they possess at this time.”<sup>94</sup> Congress had no authority under the Articles of Confederation, because the Articles reserved to the states whatever authority was not enumerated for the national government, and the authority to grant patents was not enumerated.<sup>95</sup>

### 3. The First Disputes Over Priority of Invention

The need to petition for patents in multiple states led to the first major disputes over priority of invention in the United States.<sup>96</sup> The story of these priority disputes, which were primarily between John Fitch and James Rumsey, began around 1786 and continued through the drafting of the Constitution.<sup>97</sup> In 1784, James Rumsey demonstrated to General Washington a model of what he would later call his “stream boat.”<sup>98</sup> In return, Washington gave Rumsey a certificate stating his belief (using contemporary terms) in the utility, novelty and enablement of the invention.<sup>99</sup> Rumsey used this certificate to obtain patents in Virginia, Maryland and Pennsylvania in 1785.<sup>100</sup>

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<sup>91</sup> BUGBEE, *supra* note 19, at 89–90.

<sup>92</sup> *Id.* at 89.

<sup>93</sup> *Id.* at 89–90.

<sup>94</sup> Letter from F.W. Geyer to Silas Deane (May 1, 1787), *quoted in* BUGBEE, *supra* note 19, at 90.

<sup>95</sup> *See* Arts. of Confederation, art. II.

<sup>96</sup> *See* BUGBEE, *supra* note 19, at 95–99; Prager, *The Steamboat Interference*, *supra* note 40, at 611; Prager, *The Steamboat Pioneers*, *supra* note 40, at 486; Walterscheid, *Priority of Invention*, *supra* note 38, at 263.

<sup>97</sup> *See* sources cited *supra* note 96.

<sup>98</sup> Walterscheid, *Priority of Invention*, *supra* note 38, at 270.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at 271.

Meanwhile, John Fitch began work on his “steamboat” in the spring of 1785, presenting his work publicly to the American Philosophical Society in Philadelphia in September of that year.<sup>101</sup> Also in 1785, Fitch petitioned the Continental Congress for funds to develop and commercialize his invention.<sup>102</sup> Given its dire financial condition, Congress refused.<sup>103</sup> Fitch nonetheless was able to obtain a patent in New Jersey in 1786 and in Delaware, New York, Pennsylvania and Virginia in 1787.<sup>104</sup> His petition in Pennsylvania resulted in a priority dispute between Fitch and yet another steamboat inventor, Arthur Donaldson.<sup>105</sup> Fitch also petitioned for a patent in Maryland but lost out there to Rumsey.<sup>106</sup>

The Pennsylvania, Virginia and Maryland legislatures were the first forums in the United States to decide disputes over priority of invention.<sup>107</sup> In Pennsylvania, the dispute between Fitch and Donaldson was decided in favor of Fitch, following hearings before several legislative committees.<sup>108</sup> Although Fitch had filed his petition with the Pennsylvania legislature three days before Donaldson, the legislature heard debate about novelty, scope and priority before granting a patent to Fitch over Donaldson.<sup>109</sup> In particular, Fitch established his priority by showing that he had publicly disclosed the invention first.<sup>110</sup>

Fitch was also successful in Virginia by overcoming Rumsey’s contention that his earlier “stream boat” patent was broad enough to preclude the grant of Fitch’s steamboat patent.<sup>111</sup> Fitch responded by providing to the Virginia legislature “a copy of his Pennsylvania patent as printed in a newspaper as well as a number of testimonials and an argument explicitly directed against Rumsey.”<sup>112</sup> Virginia decided the dispute by granting to Fitch a patent for “steamboats,” which apparently was thought not to interfere with Rumsey’s “stream

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<sup>101</sup> *Id.* at 271–72.

<sup>102</sup> *Id.* at 272.

<sup>103</sup> *Id.* at 270.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 273–76.

<sup>106</sup> *Id.* at 277.

<sup>107</sup> *Id.* at 273–76.

<sup>108</sup> *Id.*

<sup>109</sup> *Id.* at 275–76.

<sup>110</sup> *Id.* at 275; see Prager, *The Steamboat Pioneers*, *supra* note 40, at 511.

<sup>111</sup> See Walterscheid, *Priority of Invention*, *supra* note 38, at 276.

<sup>112</sup> *See id.*

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boat” patent.<sup>113</sup> Maryland made a similar decision in 1770 when it granted two patents within one week, each for a different threshing machine.<sup>114</sup>

Fitch did not fare as well in Maryland, where Rumsey apparently had better political connections within the Maryland legislature.<sup>115</sup> Fitch presented the same evidence and the same arguments that he had in Virginia, but this time a formal inquiry was conducted by the ex-governor Thomas Johnson as chairman of a legislative committee in charge of Fitch’s petition.<sup>116</sup> The legislative committee decided in favor of Rumsey, because he had been first to disclose his invention in November 1784 when he explained the invention in private to General Washington.<sup>117</sup> In contemporary legal terms, Maryland awarded priority to Rumsey, because he was the first to conceive of the invention.<sup>118</sup> Although the rule followed today is more complex,<sup>119</sup> the rules of priority adopted in Pennsylvania (1786) and Maryland (1787) were the earliest first-to-invent rules, and the hearings before legislative committees were the first interference proceedings.<sup>120</sup> These early rules and proceedings established important precedents for the members of Congress, some of whom had served in these state legislatures.<sup>121</sup>

**C. Priority Under the Constitution**

**1. The Drafting of the Intellectual Property Clause**

Of course neither Fitch nor Rumsey was satisfied with having patents in only some states. Both looked, therefore, to the Constitutional Convention in Philadelphia to provide a federal government with authority to grant patents

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<sup>113</sup> See Prager, *The Steamboat Interference*, *supra* note 40, at 613.

<sup>114</sup> BUGBEE, *supra* note 19, at 73–74.

<sup>115</sup> See Prager, *The Steamboat Interference*, *supra* note 40, at 614.

<sup>116</sup> *See id.*

<sup>117</sup> *See id.*

<sup>118</sup> *See id.* at 614–15. This was the rule followed in Canada until 1989. *See supra* note 16 and accompanying text.

<sup>119</sup> The first-to-invent rule later evolved to distinguish between conception and reduction to practice (both actual and constructive). *See, e.g.,* Mahurkar v. C.R. Bard, Inc., 79 F.3d 1572, 1577–78 (Fed. Cir. 1996).

<sup>120</sup> Walterscheid, *Priority of Invention*, *supra* note 38, at 271.

<sup>121</sup> Madison, for example, was serving as a member of the Virginia legislature when the priority dispute between Fitch and Rumsey was decided there. *Id.* at 280.

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with nationwide coverage.<sup>122</sup> There was no debate over patents (or copyrights) during the Constitutional Convention, but an interesting event took place sometime during the week after August 18, 1787.

On August 20, 1787, Fitch gave a public demonstration of his steamboat, inviting some of the delegates of the Convention “to take a sail” to advance the first proposals for the intellectual property clause.<sup>123</sup> Some of the delegates present were William Samuel Johnson and Oliver Ellsworth from Fitch’s home state of Connecticut and Rufus King from Massachusetts.<sup>124</sup> Johnson sent Fitch a certificate of appreciation and commendation on August 23, 1787, and Ellsworth reported on August 25, 1787, that the demonstration was a success.<sup>125</sup> Prior to his demonstration, Fitch had presented to Madison on August 11, 1787, a petition for grant of patent by the Continental Congress.<sup>126</sup> Prager concludes from these events that Fitch had an influence on the drafting of the intellectual property clause.<sup>127</sup> That much seems unquestionable. It would be too much, however, to attribute any authorship to him. Since Madison’s involvement in drafting the intellectual property clause is important in Part II of this article, I take the time here to review the facts regarding the proposal for and drafting of the intellectual property clause.

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<sup>122</sup> See EDWARD C. WALTERSCHEID, TO PROMOTE THE PROGRESS OF USEFUL ARTS: AMERICAN PATENT LAW AND ADMINISTRATION, 1798–1836, at 85, 88–89 (Fred B. Rothman & Co.) (1998) [hereinafter WALTERSCHEID, TO PROMOTE THE PROGRESS].

<sup>123</sup> Prager, *The Steamboat Pioneers*, *supra* note 40, at 518. There is a suggestion, however, that the precise date was two days later. In a letter from John Fitch to William Samuel Johnson of August 21, 1787, Fitch gave “sincere thanks for the honor you did me yesterday in calling to see my works.” *Id.* But when Fitch wrote his memoirs three years later he recalled the date as the day before Johnson presented Fitch with a certificate of appreciation and commendation, August 23, 1787. *Id.* Prager persuasively argues that Fitch’s earlier recollection is correct. *Id.*

<sup>124</sup> *Id.* at 517.

<sup>125</sup> *Id.* Walterscheid points out a question as to whether the delegates actually rode the boat. See WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 43 n.71. A biographer of Rumsey later contended that they did not. *Id.* However, Fitch’s biographer quotes from a diary entry by Rev. Ezra Stiles of New Haven dated August 27, 1787, which records a visit from Ellsworth in which he reported that he “was on board the boat, and saw the experiment succeed.” See THOMPSON WESTCOTT, LIFE OF JOHN FITCH THE INVENTOR OF THE STEAMBOAT 192–93 (J.B. Lippincott & Co.) (1878).

<sup>126</sup> Prager, *The Steamboat Pioneers*, *supra* note 40, at 517.

<sup>127</sup> *Id.* at 517–19.

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There is a question as to whether it was Madison or Charles Pinckney from South Carolina who first proposed an intellectual property clause.<sup>128</sup> The *Journal* for August 18, 1787, lists a proposal for the intellectual property clause but does not say who proposed it.<sup>129</sup> Madison's published *Notes* (which he edited himself) attributes the proposal to Pinckney, whereas Madison's original notes show that, before editing, he had attributed the proposal to himself.<sup>130</sup> Since the editing was done sometime before being published in 1840, and Madison in general took excellent notes, it seems more likely that his original notes are correct. Madison's editing is given more weight by some historians, however, because it was, in effect, an "admission against interest."<sup>131</sup>

My conjecture is that by 1840 Madison had grown skeptical of patents, which were subject to many abuses under the registration system that prevailed from 1793 to 1836. Madison was thus willing to attribute the proposal to Pinckney, whom he strongly disliked.<sup>132</sup> Pinckney, in turn, was not known for his veracity. Later in life, for example, he lied about his age in order to claim that he had been the youngest delegate at the Convention.<sup>133</sup> He was not.<sup>134</sup> More to the point, Pinckney may have lied in stating that the South Carolina plan presented at the Convention included a proposal for the intellectual property clause.<sup>135</sup> It did not.<sup>136</sup> Finally, when Pinckney was later asked by John Quincy Adams what congressional powers were proposed under the South Carolina plan, Pinckney failed to include a power that would correspond to the intellectual property clause—an "admission against interest" to match Madison's own.<sup>137</sup>

There is no debate, however, about Madison's role in shaping the clause into its final form. Between August 18 and September 17 when the final draft

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<sup>128</sup> Walterscheid gives close attention to the authorship of the intellectual property clause. See WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 45–53; see also BUGBEE, *supra* note 19, at 193.

<sup>129</sup> See WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 45.

<sup>130</sup> *Id.* at 45–46.

<sup>131</sup> See *id.* at 47 n.85.

<sup>132</sup> See WALTERSCHEID, THE NATURE OF THE INTELLECTUAL PROPERTY CLAUSE, *supra* note 52, at 103 n. 88.

<sup>133</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 31 n.27.

<sup>134</sup> Jonathon Dayton was 26, while Pinckney was 29. JAMES J. KIRSCHKE, *GOUVERNEUR MORRIS: AUTHOR, STATESMAN, AND MAN OF THE WORLD* 164 (Macmillan) (2005).

<sup>135</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 30–31.

<sup>136</sup> See 1 THE RECORDS OF THE FEDERAL CONVENTION OF 1787, app. D (Max Farrand ed., Yale Univ. Press) (1966).

<sup>137</sup> *Id.* at 48–49.

was signed, the Committee of Eleven and the Committee on Stile and Detail met to revise the Constitution, including the intellectual property clause.<sup>138</sup> Madison was on both of these committees; Pinckney was on neither.<sup>139</sup> Madison's involvement with the drafting of the intellectual property clause will be revisited in Part II, because Madison also expressed on some occasions a particular view of natural law.

## 2. The First Federal Priority Dispute

Jumping ahead to April 1791, Fitch and Rumsey are again in a dispute over priority of invention, this time with the higher stakes of a federal patent. In 1791, Fitch and Rumsey were joined by Nathan Read and John Stevens, both of whom also claimed inventions relating to steam navigation.<sup>140</sup> All four had petitioned Congress for patents under the Patent Act of 1790, the first general patent law passed in the United States.<sup>141</sup>

Unlike the first patent bill proposed to Congress,<sup>142</sup> or even the earliest drafts of the Act itself,<sup>143</sup> the Patent Act of 1790 did not provide either substantive or procedural rules for handling priority disputes.<sup>144</sup> Fitch had fought to have priority disputes decided by jury trial and had petitioned the Senate, to no avail, to have a provision for jury trials added to the bill that became the Patent Act after the House had deleted such a provision.<sup>145</sup> Apparently, during the debate before the provision was deleted, the House was persuaded that juries were not competent to decide technical issues.<sup>146</sup> Rather, the House was content to entrust the decision to a panel of experts.

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<sup>138</sup> *Id.* at 49.

<sup>139</sup> *Id.* at 51–52.

<sup>140</sup> *See id.* at 187.

<sup>141</sup> *Id.*

<sup>142</sup> Copyright and Patents Bill, H.R. 10, § 5 (introduced June 23, 1789) *reprinted in* WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, app. at 437 (providing for jury trial to decide priority of invention); *see also id.* at 89, 91–92 (noting that Fitch suggested to Pennsylvania to have priority determined by a jury).

<sup>143</sup> *See* WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 124. The engrossed bill was Patents Bill, H.R. 41 (introduced February 16, 1790), *reprinted in* WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, app. at 445. Walterscheid also reproduces the copy of H.R. 41 that was passed by the House. *Id.* at 455.

<sup>144</sup> *See* Patent Act of 1790, Ch. 7, 1 Stat. 109–112 (Apr. 10, 1790), *available at* [http://www.ipmall.info/hosted\\_resources/lipa/patents/Patent\\_Act\\_of\\_1790.pdf](http://www.ipmall.info/hosted_resources/lipa/patents/Patent_Act_of_1790.pdf).

<sup>145</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 103 n.68.

<sup>146</sup> *Id.* at 124.

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In effect, the substantive and procedural rules for deciding priority were left up to the discretion of the first “patent board” of examiners under the Patent Act of 1790.<sup>147</sup> The patent board consisted of Secretary of State Thomas Jefferson, Attorney General Edmund Randolph and Secretary of War Henry Knox.<sup>148</sup> Needless to say, these men were busy with a variety of other work for the new federal government. Altogether, only fifty-seven patents were granted while the first Patent Act was in effect between April 10, 1790 and February 21, 1793.<sup>149</sup> The patent board eventually settled on a schedule of examining patent applications on the last Saturday of every month to deal with the influx of applications.<sup>150</sup> And so it was that, after several reschedulings, the patent board met with the steamboat inventors<sup>151</sup> on Saturday, April 23, 1791 to decide the first priority dispute under the patent law of the United States.<sup>152</sup> Fitch submitted in late 1790 a written “Memorial,” fifty-six pages long with sixty-two exhibits, in anticipation of the hearing.<sup>153</sup> But perhaps in an attempt to hedge his bets, Fitch, in early 1791, added a summary to the Memorial, which suggests his willingness to accept a narrower patent.<sup>154</sup>

At the hearing, Governor Randolph appears to have suggested that priority be awarded to the first applicant.<sup>155</sup> Fitch immediately protested, because, although Rumsey had applied first under the Act of 1790, it was Fitch who had first petitioned the Continental Congress in August 1785.<sup>156</sup> For his protest at this hearing, Fitch may, as much as any single actor, be attributed with the origin of the first-to-invent rule in the United States. Had Fitch not been

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<sup>147</sup> *Id.* at 168.

<sup>148</sup> *Id.*

<sup>149</sup> *Id.* at 173.

<sup>150</sup> *Id.* at 180.

<sup>151</sup> Rumsey did not actually attend but rather sent Joseph Barnes on his behalf. *See id.* at 188. Barnes was Rumsey’s brother-in-law and was representing his interests while Rumsey was in Europe. *See id.* at 209 n.41.

<sup>152</sup> Walterscheid reports the date as April 22. *Id.* at 188. But Fitch’s biography reports that the parties agreed to meet the following day since April 22 was Good Friday and Governor Randolph went to church. WESTCOTT, *supra* note 125, at 326–27. Since April 23 was indeed a Saturday under the Gregorian calendar followed in England and its colonies since 1752, it seems that Walterscheid and Federico may have gotten the date wrong.

<sup>153</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 189 n.139 (citing Prager, *The Steamboat Interference*, *supra* note 40, at 633–35).

<sup>154</sup> Prager, *The Steamboat Interference*, *supra* note 40, at 634–35.

<sup>155</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 189; *see* WESTCOTT, *supra* note 125, at 327.

<sup>156</sup> WESTCOTT, *supra* note 125, at 327. Fitch had first petitioned the Continental Congress in August 1785. Prager, *The Steamboat Pioneers*, *supra* note 40, at 505.

present, or had he not been as prepared with the facts regarding where and when earlier petitions for patent had been filed, it is at least possible that the other members of the patent board would have acquiesced to the suggestion of Governor Randolph.

The larger point to be recognized, however, is that the dual sovereignty established by federalism would have made it awkward for the patent board to declare that either Fitch or Rumsey was the winner under a first-to-file rule. For why should Rumsey, who lived in what is today West Virginia,<sup>157</sup> be awarded priority throughout the United States for having been first to file in Virginia? Or equivalently, why should Fitch, from Connecticut,<sup>158</sup> be awarded priority throughout the United States for having been first to file in Pennsylvania? For the same reason, it would have been awkward for the board to grant priority to the first to file for a federal patent, thereby ignoring the five-year history of the dispute at the state level. By rejecting Governor Randolph's suggestion, the board effectively forced itself to consider evidence of the date of invention and, thereby, to adopt a first-to-invent rule.

At this point, Jefferson interrupted Fitch and declared that the patent board could not or would not decide the dispute on the basis of the date of earlier patents.<sup>159</sup> It is unclear from the records whether he meant that the distinction would be too difficult as a practical matter or impossible as a legal or political one. Consistent with the explanation offered by this article, Prager suggests that Jefferson may not have believed the patent board had legitimate authority to decide priority disputes under the Act of 1790.<sup>160</sup> Jefferson seized instead upon the alternative suggested in the summary from Fitch's "Memorial," namely, that a narrow patent should issue on the same date to each of the four inventors for the specific embodiments of steam navigation that they had themselves reduced to practice.<sup>161</sup> Fitch apparently regretted his suggestion, because he is said to have "remonstrated against this injustice."<sup>162</sup> In effect, Jefferson followed the same approach as Maryland in 1770 in dealing with earlier priority disputes.<sup>163</sup>

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<sup>157</sup> Prager, *The Steamboat Pioneers*, *supra* note 40, at 496.

<sup>158</sup> *Id.* at 516.

<sup>159</sup> WESTCOTT, *supra* note 125, at 327.

<sup>160</sup> See Prager, *The Steamboat Interference*, *supra* note 40, at 639 (noting that the board decided to grant patents to all applicants rather than determine priority).

<sup>161</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 189–90; see Prager, *The Steamboat Interference*, *supra* note 40, at 639 (noting that the board recognized that an interference issue existed).

<sup>162</sup> WESTCOTT, *supra* note 125, at 327.

<sup>163</sup> BUGBEE, *supra* note 19, at 73–74.



Neither Fitch nor Rumsey would receive the broad, nationwide rights under the Patent Act of 1790 that they had so long pursued.

### 3. The Patent Act of 1793 and the First Interference Proceedings

Surprisingly, Fitch gave up after the hearing.<sup>164</sup> According to Prager, both Fitch and Rumsey reacted to the decision with rage and frustration.<sup>165</sup> But thanks to his brother-in-law and lawyer Joseph Barnes, Rumsey would continue to play a role in the development of the priority rules and procedure.

The Act of 1793 thus provided for what can be called the earliest interference proceedings.<sup>166</sup> Almost immediately after the Act of 1790 was passed there were proposals for its amendment. Barnes turned to Congress to lobby for an amendment to the procedure for determining priority disputes.<sup>167</sup> Earlier versions of the Act had required the Secretary of State to refer interfering applications to the courts for judicial resolution.<sup>168</sup> It is not hard to imagine that Fitch might have had something to do with this proposal.<sup>169</sup> Fitch had sought to have priority disputes decided by jury trial before the Act of 1790.<sup>170</sup>

Barnes made the counterproposal that eventually became part of the Act of 1793.<sup>171</sup> Barnes offered this counterproposal in a pamphlet published in 1792.<sup>172</sup> Barnes proposed that “[i]nterfering claims shall, in all instances be *determined*, at the option of the parties, either by the patent officer, or by *referees*, whose decision shall be final.”<sup>173</sup> Edward Walterscheid suggests that Congress adopted this counterproposal for the same reasons that trial by jury was rejected

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<sup>164</sup> Prager, *The Steamboat Interference*, *supra* note 40, at 640–41.

<sup>165</sup> *Id.* at 640.

<sup>166</sup> Patent Act of 1793 § 9, 1 Stat. 318, *reprinted in* WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, app. at 482.

<sup>167</sup> Prager, *The Steamboat Interference*, *supra* note 40, at 642.

<sup>168</sup> Patents Bill, H.R. 166 § 8 (introduced March 1, 1792), *reprinted in* WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, app. at 476.

<sup>169</sup> For description of Fitch’s involvement with legislation after 1791, see Prager, *The Steamboat Interference*, *supra* note 40, at 635.

<sup>170</sup> See discussion *supra* Part I.B.3.

<sup>171</sup> See Prager, *The Steamboat Interference*, *supra* note 40, at 642.

<sup>172</sup> *Id.*

<sup>173</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 213 (quoting J. Barnes, TREATISE ON THE JUSTICE, POLICY, AND UTILITY OF ESTABLISHING AN EFFECTUAL SYSTEM OF PROMOTING THE PROGRESS OF USEFUL ARTS, BY ASSURING PROPERTY IN THE PRODUCTS OF GENIUS 31 (1792)).

as a procedure for deciding priority disputes in 1790, namely, that technical expertise by the trier of fact was desirable.<sup>174</sup> The Patent Act of 1793 was thus passed with a procedure for deciding interferences in which three arbitrators would be selected, and their decision on priority would be final.<sup>175</sup> Refusals to engage in arbitration would result in the grant of a patent to the opposing party.<sup>176</sup>

On its face, the Patent Act of 1793 would seem to be an improvement on the procedure available under the Act of 1790. Unfortunately, the Act of 1793 left some rather large loopholes in the procedure for deciding priority disputes. For example, under the Act of 1793 it was possible for an interference to be declared between two applicants when there was already an issued patent covering the same subject matter.<sup>177</sup> Worse still, because the Act of 1793 gave the Patent Office only ministerial authority to register patents, an applicant who refused to engage in an interference proceeding could still obtain a patent upon demand!<sup>178</sup> Thus, the Act of 1793 was far from establishing the form of interference proceeding with which we are familiar today.

On the other hand, there is no question that the purpose of the interference proceedings under the Act of 1793 was to decide priority by determining who was first to invent.<sup>179</sup> The specific rule of priority was not spelled out until after an examination system was reinstated under the Act of 1836.<sup>180</sup> Nonetheless, Fitch and Rumsey had ensured that some first-to-invent rule would be adopted.

#### *D. Summary of the History of the First-to-Invent Rule*

From the story above, it is clear that the patent board faced practical difficulties with adopting a first-to-file rule in 1791. Nonetheless it is also clear that the parties to the hearing brought with them concepts of fairness and justice. In particular, John Fitch and others believed in a natural right to protection of an invention. The influence of this conception on the adoption of the first-to-invent rule is described below in Part II.

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<sup>174</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 124.

<sup>175</sup> *Id.* at 270.

<sup>176</sup> *Id.*

<sup>177</sup> *Id.* at 270–71.

<sup>178</sup> *Id.* at 271.

<sup>179</sup> Walterscheid, *Priority of Invention*, *supra* note 38, at 319.

<sup>180</sup> *Id.*

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## II. NATURAL LAW AND THE RIGHTS OF INVENTORS

Many of the lawyers and inventors involved with patent law in the late eighteenth and early nineteenth centuries held a view that the rights of inventors were founded in natural law.<sup>181</sup> This view of the rights of inventors, like most views of natural law, was not drawn from any statute or case.<sup>182</sup> Rather, it was drawn from the collective moral wisdom of the civil and religious communities in which these lawyers and inventors lived.<sup>183</sup> Such a view may appear antiquated or primitive today.<sup>184</sup> For the lawyers and inventors involved with the first patent system in the United States, however, natural law was enough justification for the time and cost of interference proceedings. Perhaps the most astonishing fact about interference proceedings is how, like insects trapped in amber, they remain with us today long after these views of natural law have been abandoned.

The influence of natural law on the development of patent law in the United States was still evident in the late nineteenth century.<sup>185</sup> Perhaps the most conspicuous example of its influence, and of the limits to its influence, is the intellectual property clause of the Constitution,<sup>186</sup> which enumerates con-

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<sup>181</sup> See R.H. Helmholtz, *Bonham's Case, Judicial Review, and the Law of Nature*, 1 J. LEGAL ANALYSIS 325, 331 (2009) ("A commonplace of the legal culture of their times held that certain general principles of justice were part of human nature, formed within us by God. These principles were common to all men, they were constant and immutable, and they provided the necessary foundation of all human law.").

<sup>182</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 66–67 (quoting Letter from James Madison to George Washington (Oct. 18, 1787) in 4 THE FOUNDERS' CONSTITUTION 228, 228 (Philip B. Kurland & Ralph Lerner eds.) (1987)).

<sup>183</sup> It was occasionally associated with the principles of equity and justice familiar from the Court of Chancery in England. See generally FREDERIC WILLIAM MAITLAND & HERBERT ALBERT LAURENS FISHER, *THE CONSTITUTIONAL HISTORY OF ENGLAND: A COURSE OF LECTURES* (2001).

<sup>184</sup> R.H. Helmholtz, *Natural Law and Human Rights in English Law: From Bracton to Blackstone*, 3 AVE MARIA L. REV. 1, 2 ("The jurists who believe in natural law seem to me to be in that naïve state of mind that accepts what has been familiar and accepted by them and their neighbors as something that must be accepted by all men everywhere." (quoting Oliver Wendell Holmes, *Natural Law*, in COLLECTED LEGAL PAPERS 310, 312 (1920))).

<sup>185</sup> See 1 WILLIAM CALLYHAN ROBINSON, *THE LAW OF PATENTS FOR USEFUL INVENTIONS* 37–40 (1890).

<sup>186</sup> There is also evidence of the influence of natural law in the grant of patents by the states. For example, the preamble to a private act of South Carolina granting on February 27, 1788, a patent to Isaac Briggs and William Longstreet states that "the principles of natural equity and justice require that authors and inventors should be secured in receiving the profits that may arise from the sale or disposal of their respective writings and discoveries." BUGBEE,

gressional authority “[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.”<sup>187</sup> To modern readers, it may seem implausible to suggest that this straightforward clause could somehow embody the “brooding omnipresence” of natural law.<sup>188</sup> Nonetheless the choice of terms in the clause almost immediately provoked a debate about what kind of rights Congress had been given authority to protect. In particular, the debate arose from the balanced construction of the clause and its use of the term “securing.”

To summarize what follows, advocates of natural rights argued that, in view of the system of federalism established by the Constitution, this construction institutionalized a natural right of inventors to their ideas, a natural right which existed independent of and before any patent was granted.<sup>189</sup> To advocates of natural rights, the intellectual property clause gave Congress authority to protect, through patents, what otherwise would have been the right of inventors under natural law. On the other side of the debate were what shall be called advocates of positive rights. To advocates of positive rights, the intellectual property clause gave Congress authority to grant patents and protect ideas to which inventors would not otherwise have any right.<sup>190</sup> Currently, the advocates of positive rights have won the debate, because their view is now the most widely accepted view of the intellectual property clause. This article argues, however, that the advocates of natural rights have had their view preserved in the first-to-invent rule of priority and in our curious reluctance to part with it.

Historical debates over the intellectual property clause are perhaps the closest approach at this point in time to a direct study of how the natural rights theory influenced the adoption of the first-to-invent rule. In the following sec-

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*supra* note 19, at 95 (quoting 1788 S.C. Acts 71). The date of the grant suggests that the similar language may have been derived from the intellectual property clause of the Constitution. Were it derived from the Constitution, the text of this private act would seem to present strong evidence that natural law was indeed an influence on the drafters of the intellectual property clause. Notably, Charles Pinckney, who is by tradition given credit for proposing the intellectual property clause—but see Part I.C.1 above for historical criticism of this tradition—was both a delegate to the Constitutional Convention and a member of the South Carolina legislature at the time.

<sup>187</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>188</sup> *S. Pac. Co. v. Jensen*, 244 U.S. 205, 222 (1917) (Holmes, J., dissenting) (“The common law is not a brooding omnipresence in the sky, but the articulate voice of some sovereign or quasi sovereign that can be identified; although some decisions with which I have disagreed seem to me to have forgotten the fact.”).

<sup>189</sup> See discussion *infra* Part II.A.

<sup>190</sup> See discussion *infra* Part II.B.

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tions, this article addresses, first, the views expressed by advocates of natural rights, and, second, the views expressed by advocates of positive rights.

**A. *The Advocates of Natural Rights***

As described in Part I, Madison played an important role in the drafting of the intellectual property clause. Although there is no recorded discussion of the clause during either the Convention or the ratification debates, Madison nonetheless provided in *Federalist 43* an important insight into how he understood the intellectual property clause:

The utility of this power will scarcely be questioned. The copyright of authors has been solemnly adjudged in Great Britain, to be a right at common law. The right to useful inventions, seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals. The states cannot separately make effectual provision for either of the cases, and most of them have anticipated the decision of this point, by laws passed at the instance of congress.<sup>191</sup>

His observations are compact, containing many implications. Madison acknowledges here that the English courts had not recognized a common law right to patents of invention, or patents of importation for that matter, in the same way that they had copyright.<sup>192</sup> This distinction is important because of the balanced construction of the intellectual property clause, whereby both copyrights and patents were “secured” for authors and inventors, respectively.<sup>193</sup> As Madison wrote, with equal reason a common law right to patents would belong to inventors as it had for authors.<sup>194</sup>

Citing this same passage, Walterscheid argues against commentators—including me—who believe that Madison understood the term “securing” to mean that inventors have basic preexisting rights.<sup>195</sup> Walterscheid’s mistake is in substituting our modern concept of common law for the concept held by Madison and his contemporaries. Specifically, the common law was not to Madison a judge-made body of rules to be imported into decision-making.<sup>196</sup>

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<sup>191</sup> THE FEDERALIST NO. 43, at 238–39 (James Madison) (E.H. Scott ed., William S. Hein & Co. 2002) (1898).

<sup>192</sup> See *Millar v. Taylor*, (1769) 98 Eng. Rep. 218 (K.B.) (recognizing a common law right to copyright).

<sup>193</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>194</sup> THE FEDERALIST NO. 43 (James Madison), *supra* note 191, at 238–39.

<sup>195</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 64.

<sup>196</sup> *But see* *Erie R.R. Co. v. Tompkins*, 304 U.S. 64, 79–80 (1938) (indicating that the source of the common law must be from the State, whether it be the legislature or its Supreme Court).

Rather, the common law was “the unwritten law . . . left by all the Constitutions equally liable to legislative alterations.”<sup>197</sup> More importantly for purposes of this article, Walterscheid seems also to have fallen into the trap of treating the unwritten common law as somehow independent and distinct from unwritten natural law. There is strong historical evidence to the contrary.<sup>198</sup> According to one historian, to a common lawyer in the late eighteenth century, the assumption would have been “that the two laws were harmonious, that the natural law stood behind and supported the English common law.”<sup>199</sup> Madison was not, as Walterscheid believes, stating emphatically that the common law was deliberately not made applicable under the Constitution. He was disagreeing with George Mason’s concept of the ontology of common law. For Madison, it was not necessary for the Constitution to adopt the common law, or the natural law behind it, for their normative force to have effect.

An additional piece of evidence may be useful in convincing the reader that Madison’s view was consistent with, indeed supportive of, the natural rights of inventors. Walterscheid is of course correct when he observes that Madison’s view that the common law should be declared the law of the land did not prevail during the Convention or ratification debates.<sup>200</sup> He forgets, however, the debates that ensued over the Bill of Rights after the Constitution had been ratified. In particular, the Ninth Amendment established the Bill of Rights as a non-exclusive list of rights, including common law and natural law rights, retained by the people.<sup>201</sup> It was perfectly consistent for Madison to believe that the natural rights of inventors would have been retained under the Constitution. In particular, during the congressional debates that led to the ratification of the Bill of Rights, Madison contended that the most valuable provision would be an amendment that prohibited the States from infringing an enumerated list of common law rights.<sup>202</sup>

Inventors were also great fans of this view of natural rights. As a pertinent example, Fitch “was convinced of the natural pre-existence of his inven-

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<sup>197</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 66–67 (quoting Letter from James Madison to George Washington (Oct. 18, 1787) in 4 THE FOUNDERS’ CONSTITUTION 228, 228 (Philip B. Kurland & Ralph Lerner eds.) (1987)).

<sup>198</sup> *E.g.*, Helmholz, *supra* note 184, at 6–11.

<sup>199</sup> *Id.* at 21.

<sup>200</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 67.

<sup>201</sup> See U.S. CONST. amend IX (“The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.”).

<sup>202</sup> 1 ANNALS OF CONG. 784 (Joseph Gales ed., 1789), reprinted in DANIEL A. FARBER & SUZANNA SHERRY, A HISTORY OF THE AMERICAN CONSTITUTION 342 (2d ed. 2005).

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tor's right."<sup>203</sup> There can be little doubt that the sense of entitlement this gave him contributed to his protest against the first-to-file rule at the hearing before the patent board on April 23, 1791.

Others who advocated the natural rights view include Congressman William Murray who commented on the pending bill that would become the Patent Act of 1793 that "[English] patents are derived from the grace of the Monarch, and the exclusive enjoyments [sic] of the profits of a discovery is not so much a right inherent as it is a privilege bestowed."<sup>204</sup> In the United States, however, "a citizen has a *right* in the inventions he may make, and he considers the law but as the mode by which he is to enjoy their fruits."<sup>205</sup> By 1827, it was possible for a lawyer to assert that "[i]n the United States, . . . [a patent] is a CONSTITUTIONAL RIGHT, which the citizen may *demand*, and which the officers of government have no power to withhold."<sup>206</sup> This lawyer would cite the use of the term "secure" rather than "grant" in the intellectual property clause in support of his assertion.<sup>207</sup>

***B. The Advocates of Positive Rights***

As of today, advocates of positive rights have won the debate. For example, when in *Graham v. John Deere Co.*,<sup>208</sup> the Supreme Court decided to revisit the history of patent law before reshaping the obviousness doctrine, it ignored advocates of natural rights, focusing exclusively on the theory of positive rights promoted by Thomas Jefferson.<sup>209</sup> In an 1813 letter from Jefferson to Isaac McPherson that has been reprinted many times, including in Supreme Court reporters, Jefferson made his famous argument that "[i]nvention . . .

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<sup>203</sup> Prager, *The Steamboat Pioneers*, *supra* note 40, at 519.

<sup>204</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 71 (quoting 3 ANNALS OF CONG. 855 (1792)) (alterations in original). There were judges who also advocated the natural rights view. *See, e.g.*, *Gibbons v. Ogden*, 22 U.S. 1, 146–52 (1824) (holding there to be a preexistent common law right to property in invention).

<sup>205</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 71 (quoting 3 ANNALS OF CONG. 855 (1792)).

<sup>206</sup> *Id.* at 72 (quoting P.A. Browne, *Mechanical Jurisprudence No. XIV*, 3 FRANKLIN J. 175, 176 (1827)) (second alteration in original).

<sup>207</sup> *See id.* at 72 n.56.

<sup>208</sup> 383 U.S. 1 (1966).

<sup>209</sup> *Id.* at 9–10.

. cannot, in nature, be a subject of property.”<sup>210</sup> According to Jefferson “[s]table ownership [of property] is the gift of social law.”<sup>211</sup>

Irrevocable defeat came to advocates of natural rights in 1834, when *Wheaton v. Peters*<sup>212</sup> was decided. The counsel in that case, Daniel Webster, had argued—consistent with the view that has been attributed to Madison above—that the intellectual property clause was predicated on common law property rights, which pre-existed the completion of any formalities, such as registration.<sup>213</sup> The Court cast these rights aside with what I would call *ipse dixit*:

[T]he word *secure*, as used in the constitution [sic], could not mean the protection of an acknowledged legal right. It refers to inventors, as well as authors, and it has never been pretended, by any one, either in this country or in England, that an inventor has a perpetual right, at common law, to sell the thing invented.<sup>214</sup>

To the contrary, it was just this kind of right that Madison had “pre-*tended*” inventors held in *Federalist 43*.<sup>215</sup> Indeed, the dissent in *Wheaton* makes an argument about Madison very similar to the one presented in this article.<sup>216</sup> The majority, however, would carry the day.

### C. *The Legacy of Natural Rights in the First-to-Invent Rule*

Eighteenth century advocates of natural rights believed that inventors had a right to inventions that preexisted the grant of patents. In terms of the adoption of the first-to-invent rule, the most important of these advocates was almost certainly Fitch, whose protest to Governor Randolph’s suggestion of a first-to-file rule on April 23, 1791, may fairly be counted as the most important event that led to adoption of a first-to-invent rule of priority. It is somewhat touching to consider how Fitch, who effectively lost his priority dispute in 1791, lives on today in this singular institution. Although it was not his alone, the first-to-invent rule may be counted as his greatest invention.

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<sup>210</sup> WALTERSCHEID, TO PROMOTE THE PROGRESS, *supra* note 122, at 73.

<sup>211</sup> *Graham*, 383 U.S. at 9 n.2.

<sup>212</sup> 33 U.S. 591 (1834).

<sup>213</sup> *Id.* at 661.

<sup>214</sup> *Id.*

<sup>215</sup> THE FEDERALIST NO. 43, at 238–39 (James Madison) (E.H. Scott ed., William S. Hein & Co. 2002) (1898).

<sup>216</sup> *Wheaton*, 33 U.S. at 681 (Thompson, J., dissenting).



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**III. CONCLUSION**

Along with a summary of the history, I have argued in this article that the federalist structure of government in 1791—in particular, the dual sovereignty of states and federal government—presented a practical obstacle that prevented the patent board from adopting a first-to-file rule of priority. There was no politically neutral way, and perhaps even no legitimate way, for the patent board to say what filing system should control for purposes of determining who was first to file.

In addition, this article has argued that natural law, and to a lesser extent ideology, influenced the inventors and lawyers who were involved with drafting and executing the first patent laws in the United States to adopt a first-to-invent rule of priority. Although the view of natural law held by these inventors and lawyers has been rejected as a valid theory of the intellectual property clause, the interference proceedings, which are its legacy, are still with us, at least for now.