THE PROPRIETY OF HOLDING PATENTABLE MATTER AS A TRADE SECRET

New Trends and Developments

I. INTRODUCTION

1. An Important Open Issue in Trade Secret Law

The problem of the respective rights of the first inventor who elects to hold and use patentable subject matter as a trade secret and the second independent inventor who seeks and obtains patent protection thereon, has been an important but unresolved area in Trade Secret Law. See New York Patent Law Association Bulletins, Vol. 14, No. 5, Dec. 1974-Jan. 1975 and Vol. 16, No. 3, 1976-1977, which summarize dinner and luncheon talks by Roger M. Milgrim and 45 Geo. Wash. L. Rev. 296, 299-300 (1977) where Roger M. Milgrim reviews Rosenberg's recent book "Patent Law Fundamentals" and criticizes Rosenberg for treating "as a simple and closed question" this "extremely important open issue."

2. Inconclusive Studies

The matter of the conflict between the first inventor/trade secret owner and the independent second inventor/patentee has been under study in recent years within Committee 402 (Trade Secrets and Related Matter) of the ABA Patent, Trademark & Copyright Section (see ABA-PTC Section Committee Reports 191-192, 1975 and 217-218, 1976). So far this study has produced no definitive answer apart from noting that there was no precedent directly in point and referencing the Dunlop case (Dunlop Holdings Ltd. v. Ram Golf Corp., 188 USPQ 481 (7th Cir. 1975), cert.den. 189 USPQ 256, 1976) and the Bennett article (Bennett, "The Trade Secret Owner Versus The Patentee of the Same Invention: A Conflict?", 57 JPOS 742, Dec. 1975). In view of a "wide range of positions" among the committee members in the first year of study a poll was taken in the following year with the result that 1) seven felt that the patent of the

second inventor was invalid over the prior use of the trade secret, 2) seven held that the second inventor's patent was valid against all parties including the trade secret user who would require a license for continued operation, 3) four opined that both parties had rights and an issue of concealment governed the validity of the patent of the second inventor and 4) nineteen thought that a personal right existed in the trade secret owner to continue to use his invention. This poll not only reflects a wide range of opinions indeed but also a good deal of confusion, not to say ignorance, on this issue in our professional ranks.

3. Desirability of a Definitive Answer

It is surprising that in this day and age this question should still be such an open and unsettled one. Abroad, of course, it is an open and shut case. The first inventor has the personal right, by statute, to continue to use his prior invention. The German "Vorbenutzungsrecht" (Right of Prior User) provision is representative:

> "A patent shall have no effect against a person who, at the time of the filing of the application, had already used the invention in ... Germany or had made the necessary arrangements for doing so. Such a person shall be entitled to use the invention for the purposes of his own business in his own plant or workshops of others." (Sinott, 2B "World Patent Law & Practice", 1974).

Perhaps in this country the time has now come, what with new developments especially court decisions in the area of Section 102(g) of the Patent Code, to close the books on this issue. It would indeed be highly desirable at long last to provide a more definitive answer for the first inventor/trade secret owner as to his legal position vis-a-vis a later inventor/patentee. As Roger M. Milgrim stated in his above-mentioned book review "some authorities suggest that if the question is

answered definitively, the resolution is plainly in favor of declaring the trade secret discovery as constituting priority, and hence blocking a second inventor's right to a patent." (45 Geo. Wash. L. Rev. at 300).

It can now be confirmed, from a scrutiny of the decisional developments especially in the area of Section 102(g), that such a definitive clarification is at hand. However, this resolution points towards invalidity of the second inventor's patent rather than an in personam right to continued use on the part of the first inventor/trade secret owner and consequently may not please staunch patent advocates but is inescapable, as will be seen shortly.

II. SECTION 102(g) DECISIONS

1. In re Bass and Its Implications

35 USC Section 102(g) provides that a "person shall be entitled to a patent unless ... before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed or concealed it ...". This provision is a codification of the "Mason v. Hepburn doctrine" (Mason v. Hepburn, 13 App. D.C. 86, D.C. Cir. 1898) or, as Judge Rich wants it, a codification of this decision as well as its antecedents. (See concurring opinion in Young v. Dworkin, 180 USPQ 388, 393, CCPA 1974).

Section 102(g) has traditionally been the basis for interference proceedings and in post-interference contexts. However, it is now manifest that it is not restricted to interference situations but can be used as an infringement/validity suit defense/attack. This has been the rule in courts for some time - well, at least for ten years. See Grinnell Corp. v. Virginia Electric & Power Co., 156 USPQ 443 (E.D. Va. 1967), International Glass Co. v. United States, 159 USPQ 434 (Ct. Cls. 1968), Sutter Products Co. v. Pettibone Mulliken Corp., 166 USPQ 100 (7th Cir. 1970), and an increasing number of cases in subsequent years, some of which will be discussed below.

Since the 1973 Bass decision (In re Bass, 177 USPQ 178, CCPA 1973), it is now also clear that a Section 102(g) prior invention constitutes prior art under Section 103 of the Patent Code, that is to say, prior art includes all inventions made in this country before an applicant or patentee made his invention provided the earlier invention was not abandoned, suppressed or concealed. This is clear since the Bass case came down, even though the only novel element in it is the purely ex parte use in the PTO of Section 102(g) in combination with Section 103 and completely apart from any interference and even though the Bass holding is mere dictum as per Lawrence Dodds who concluded persuasively that "the majority of the Court found that the ruling of Judge Rich was dictum. The only member of the Court who agreed with Judge Rich was Judge Rosenstein of the U.S. Customs Court ... (which) has scant contact with developments in the Patent Law." (56 JPOS 544, 545, 1974).

Though the Bass holding has been severely criticized, especially by the concurring (i.e., dissenting) judges, the authors of Patent Law Perspectives (see PLP, §A.3[7] of '73 Dev. at N. 1, p. 1) and other authors (see Bibliography appended to my JPOS article - 58 JPOS 523, 536-537), it was actually nothing startlingly new. A lengthy and analytical 1963 JPOS article (Jack Oisher et al., "The Role of the Prior Inventor Under Section 102(g)", 45 JPOS 595) pointed out that Section 102(g) is "a 'sleeper' provision which defeats the patentee on a fact situation wherein the Patent Office granted a patent because no machinery existed for inquiring into priority as between rival inventors, one of whom had not claimed the invention in a patent application", (Id. at 619) and that "defensive patenting", a fairly wide-spread practice, was an unnecessary exercise because Section 102(g) could be invoked as a defense instead.

For this and other reasons (detailed in my JPOS article supra) the Bass case must be considered an evolutionary rather than revolutionary decision as regards its "principal point of law". Nonetheless, no other case has caused such a stir. It highlighted and raised to a high consciousness level the Section 102(g) patent invalidation opportunities/ pitfalls. I will come back later to how Bass complicates patent life and may cause many a patent practitioner to yearn for the apparent simplicity of trade secret protection.

2. The Dunlop Decision

With respect to the specific issue before us, the Dunlop case, supra, is undoubtedly the key case - perhaps a landmark decision - and therefore merits a more thorough treatment. It held that a noninforming use of an invention, with secrecy intended, bars a patent to a subsequent inventor and it invalidated US Patent No. 3,454,280 on a new kind of golf ball under Section 102(g).

The facts are as follows: In the Spring of 1964 a certain "Butch" Wagner was interested in producing a golf ball cover that would resist cutting. About the same time DuPont was trying to find a commercial use for a new synthetic named "Surlyn." Before long, Wagner was experimenting with Surlyn. By November of 1964, he had developed a suitable formula which he wrote down and gave to his daughter for safekeeping.

Meantime, Wagner gave friends and golf pros his Surlyn-covered balls to try out on the course, and they were a great success. He continued to experiment but by February of 1965 Wagner had received orders for over 1,000 dozen of his balls. By the fall of 1965 he had ordered enough Surlyn to produce more than 900,000 balls. He died in October, 1965, without having applied for a patent.

In Great Britain, however, somebody had applied for a patent, namely, on February 10, 1965. And then a U.S. application was filed on February 2, 1966. Dunlop wound up owning the British and American patents issued as a result. When Ram Golf started marketing a Surlyn-covered ball in this country, Dunlop sued for infringement of its U.S. patent.

Ram Golf asserted that Dunlop's patent was invalid to begin with. U.S. patent law provides that one can't get a valid U.S. patent if the invention was made earlier in this country by somebody "who had not abandoned, suppressed, or concealed it." Naturally, Dunlop latched onto that clause, arguing that Wagner had suppressed and concealed his invention because he had never let anybody know what the magical secret ingredients were.

But the Seventh Circuit Court of Appeals in affirming the lower court said that an important distinction must be made between a "secret" use and a "noninforming" public use. Though Wagner didn't tell what made his golf balls unusual, he certainly made every effort to market them and they were in widespread public use before February, 1965 (the date of Dunlop's British application, the earliest date it could claim under U.S. law).

The court gave

> "three reasons why it is appropriate to conclude that a public use of an invention forecloses a finding of suppression or concealment even though the use does not disclose the discovery. First, even such a use gives the public the benefit of the invention. If the new idea is permitted to have its impact in the marketplace, and thus to 'promote the progress of science and useful arts', it surely has not been suppressed in an economic sense. Second, even though there may be no explicit disclosure of the inventive

> concept, when the article itself is freely accessible to the public at large, it is fair to presume that its secret will be uncovered by potential competitors long before the time when a patent would have expired if the inventor had made a timely application and disclosure to the Patent Office. Third, the inventor is under no duty to apply for a patent; he is free to contribute his idea to the public, either voluntarily by an express disclosure, or involuntarily by a noninforming public use. In either case, although he may forfeit his entitlement to monopoly protection, it would be unjust to hold that such an election should impair his right to continue diligent efforts to make the product of his own invention."

Thus, the court ruled that Dunlop was not entitled to the exclusive right to make and sell the amazing golf ball. The U.S. Supreme Court declined to review this conclusion.

N.B. The same "noninforming public use" by Wagner which killed the later patent would, of course, have prevented Wagner himself from getting one if he had applied more than a year after he began public distribution of the Surlyn-covered balls. In fact as the Palmer case (Palmer v. Dudzik, 178 USPQ 608, CCPA 1973) shows, Wagner having chosen secrecy would not have been able to get a valid patent even if he had changed his mind and filed within the one-year grace period.

The authors of Patent Law Perspectives blasted this decision stating that Judge, now Justice, Stevens "led a panel of the Seventh Circuit Astray" in holding "that a use of a product commercially was a prior public use of the invention which would invalidate a patent issuing to an independent inventor even though it was a noninforming use. In doing so, he sought to distinguish Judge Hand's excellent opinion in Gilman v. Stern and find support in the Supreme Court's opinion in Gaylor v. Wilder, despite the fact that the latter did not apply to the facts in Dunlop." (PLP Summary, 1976 Devel., Release No. 10, pp. 1-2).

Hitting the nail on the head, they continued:

> "The appeals court apparently couldn't bear to treat Wagner's active use of Surlyn covered golf balls as concealment or suppression of the invention under Section 102(g), even though it did not teach the public how to practice the claimed invention. As noted, the court was convinced that the public had received the 'benefit'". (PLP, §A.3[1] of '76 Dev., p. 38-39).

As for the three reasons the court gave for its holding, the PLP authors asserted that the first was "irrelevant", the second, "equally unavailing" and the third "has more to commend it than the other two reasons."

> "Still, the purpose of the patent system is to encourage the disclosure of inventions to the public, not merely their commercial

> exploitation. Presumably, Wagner chose to take his chances on keeping his invention secret and getting a competitive advantage based on the secret. Viewed in this light, we do not believe that the secret user should be viewed as a public benefactor. He is just one more competitor who took a chance on maintaining his development secret so that he could exact a monopoly profit as long as he could without disclosing his invention to the public." (PLP, supra at 40).

Well, these issues are debatable. PLP is often right but often they take an extreme position.

3. Other Recent Decisions

In Westwood Chemical Inc. v. Dow Corning Corp., 189 USPQ 649 (E.D. Mich. 1975), an even broader and more drastic application of Section 102(g), a patent held by Westwood on pigmented silicone elastomers was held invalid in the face of a Section 102(g) defense based on prior independent secret work done at Dow Corning. The court held that a

> "prior invention which will invalidate a patent under §102(g) need not involve use of the invention in public. Prior private or secret knowledge is available as prior art ... This independent work of others is also clearly evidence of obviousness." (Id. at 666)

The language in this holding as in many is quite loose if not confused (note e.g. the reference to "secret knowledge" but "knowledge" is a bar only under Section 102(a) and only if it is public) but it seems that Dow Corning had a big in-depth R&D project in this area while the Westwood patent was but a paper patent in the sense that first it was based on graphite chemistry and secondly was not in use. Again, apparently equity and justice considerations played a significant part, especially since a paper patent was involved.

Another case is Grain Products v. Lincoln Grain, 191 USPQ 177 (S.D. Ind. 1976). In this case a patent applied for by defendent in 1960 on cold-water-dispersible cereal products was voided under Section 102(g) because in 1949(!) an employee of plaintiff "produced gelatinized cereal adhesive on a plastic extruder ... (and) made 35 tests(!) using corn meal and flour and varying moisture, die area, feed rate and extruder temperature". The court considered this work as the "prior invention of the subject matter" of defendant's patent by plaintiff's employee. Based on this prior work the court went on to hold the patent also invalid under Section 103.

These separate invalidity grounds under Section 102(g), on the one hand, and Section 103, on the other, based on the same facts are the rule rather than the exception in these district and circuit court holdings. This must be a hold-over from the pre-Bass period. Judge Rich apparently has not yet been able to educate these federal judges sufficiently to speak in terms of Section 102(g) prior inventions as Section 103 prior art which is the proper approach if the prior invention was not identical to the claimed invention. Note that Judge Rich with his characteristic thoroughness went to some length in straightening out the attorneys in the Bass case on the proper phraseology:

> "Appellants' brief refers to the rejection in this case as 'a section 102(g) rejection,' which it is not, and we therefore clarify that matter at the outset. The rejection is

> for obviousness under §103 based ... on alleged prior inventions of others which are deemed to be 'prior art' within the meaning of that term in §103 by virtue of §102(g)." (177 USPQ at 183).

4. Additional Factors Favoring the Prior Inventor

In the Grain Products case there are numerous findings (141) and conclusions of law (43) but no particular indication that the court carefully scrutinized the prior inventions to come to grips with the issue of full reduction to practice and lack of abandonment, suppression or concealment and the heavy burden of proof in these respects. There seems to be a trend towards laxity in the courts in this regard and it is not always clear that the prior inventions in question had fully met the tests of Section 102(g). Contra: Continental Copper & Steel v. New York Wire, 311 PTCJ A-5 (D.C. Pa., 1/13/77), where the court discussed at length the requirements and the matter of burden of proof of a Section 102(g) defense and struck down Continental's patent even though New York Wire had abandoned its application (but not the nearly identical invention).

In this regard note also Allen v. Brady Co., 184 USPQ 385 (7th Cir. 1974), where the court held that the invention disclosed in an abandoned application can be used as Section 102(g) prior art since the abandonment occurred after the filing date of the patent in suit and Del Mar Engineering v. US, 186 USPQ 42 (Ct. Cls. 1975), where it was held that in spite of abandonment of work on the secret Dart Missile the Section 102(g) defense was available because abandonment occurred after Del Mar entered the picture. (N.B. The rationale for these holdings is the fact that Section 102(g) uses the pluperfect tense: "had" not abandoned, etc.)

It is further noteworthy in this respect that according to some of these Section 102(g) decisions the prior activities, even if abandoned, are nonetheless evidence of the level of ordinary skill in the art at the time the later invention is made and can thus be used in a Section 103 context (cf. e.g., International Glass v. US, 159 USPQ at 441).

This laxity, if in fact it exists, and these other factors might enhance the chances of a prior inventor/trade secret owner of beating a charge of infringement by a second inventor/ patentee, especially since these factors are coupled with a greater frequency of reliance on Section 102(g) and a greater incidence of invalidity holdings based on Section 102(g). Klitzman found that in 1974 there were two Section 102(g) invalidity holdings for every validity holding in the face of a Section 102(g) defense or attack (58 JPOS 505, 521). In 1976 the ratio appears to be more like six to one.

5. Cases on Suppression and Concealment

As stated above no case is on the books where a first inventor/trade secret owner has been enjoined from practicing his invention/trade secret by a late-comer patentee even though there are literally scores of cases starting from before Mason v. Hepburn where the second inventor prevailed on the issue of priority in an interference context. Nonetheless, it has generally been assumed that this can happen. Hence, the race to the PTO ab initio or after being spurred into activity by a competitor, e.g., through his commercial activities or his US or foreign patent publications.

Note that Charles Brainard concluded in the last PLI Program of this nature that

> "even a second inventor may secure a patent and enjoin a first inventor who has kept the development secret and not diligently applied for a patent even though he has commercially used the development" (Milgrim, Protecting & Profiting from Trade Secrets, PLI 1975, p. 129.)

and he relies on Palmer v. Dudzik, supra, for this conclusion. This case, as well as Brokaw v. Vogel, 166 USPQ 428 (CCPA 1970) and Young v. Dworkin, 180 USPQ 388 (CCPA 1974), are sometimes mentioned in this context. In the Palmer case the CCPA had indeed quoted with approval a passage from the Dudzik brief:

> "The condition which the law does impose on the inventor, and which Appellants are unwilling to accept, is that once he has elected (secrecy) he risks that a second inventor of the same invention will be able to secure a patent on it and impose his limited monopoly against him. In view of the policy goal to which the concealment of invention doctrine is directed, this is a fair and just result."

However, as was stressed by Bennett, supra, "the above quotation is purely dicta, if that, since the CCPA has no jurisdiction with respect to enforcement of a patent nor was that legal question before it. The decision was merely a determination of priority in an interference context."

Since no one seriously questions the proposition, found in such priority cases, that the trade secret owner is not entitled to seek patent protection after steps are taken to maintain secrecy, there is really no conflict between this line of CCPA cases and the line of district/circuit court cases as represented by the Dunlop case. In none of these reversed priority situations, starting with Mason v. Hepburn, has the second inventor/patentee apparently tried to then stop the first inventor/trade secret owner. Why not? This is an intriguing question. Bennett speculated that such a late-comer patentee may be afraid of putting his patent on the block knowing he was not the first to invent (Bennett, supra, at 742 ftnote 2). On the other hand, it is not inconceivable that the first inventor/trade secret owner felt, in line with the common understanding, that he had a lost cause and took a royalty-bearing license if the interference had not been settled amicably before. Also and importantly, the trade secret owner would in most cases rather pay a small tribute to the patentee so that patent coverage continues and other competition is shut out.

Questions relative to the meaning of "suppression" and "concealment" and whether these terms are synonymous or mean different things are more semantic and academic in nature than of practical import in this context and need not be disected here. In a trade secret frame, we are really dealing only with the question of "concealment" according to Bennett (Id. at 746). But even apart from the Dunlop doctrine and Westwood Chemical holding, concealment would clearly not exist if the trade secret owner had licensed the invention or otherwise disclosed it even though this was done under conditions of confidentiality.

III. SECTION 102(g) COMPLICATIONS

Mention should also be made, as intimated earlier, that quite aside from the conclusion that a first inventor/trade secret owner has an effective defense against the second inventor/patentee attempting to assert and enforce his patent by virtue of Section 102(g) as long as his prior invention came one day earlier than the patentee's invention, the Bass decision and its "progeny" have increased the complications, vagaries and uncertainties of the patent protection alternative especially for corporations to the point where the trade secret route might appear quite attractive to inventors in areas where trade secrets can be kept. I would not go as far as Harris Pitlich did when he stated in a '74 JPOS article (58 JPOS 505, 521, 1976) on the topic of In re Bass that corporations will because of In re Bass shun the patent system and revert to a trade secret system and/or even go as far as moving all or part of their research and development capabilities abroad.

The effect of the Bass rule, especially as regards corporate research and situations involving team projects and various basic and improvement inventions with different inventorship, is indeed a grim one. Bass opened a pandora's box of dire consequences. It completely changed the traditional view of prior art. With the effective dates of United States patents, publications and public uses being rolled back under the Bass rule to the invention dates, untold patents have potentially been invalidated and many invalid patents will be issued. Uncertainties of unimaginable extent have been introduced into patent practice. Regarding changes in prior art concepts, it has been pointed out by various commentators that Section 102(e) becomes mere surplusage and that 102(a) becomes superfluous as well. Statements have also been made repeatedly and consistently in commentaries on the Bass decision that Rule 131 affidavit practice, terminal disclaimer practice and the practice of filing applications on the same day or even in reverse date order are out. In this respect no reminder is needed that even under

Section 102(e) ("the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent") patent filing practice can be hairy indeed, as was vividly shown in a 1969 JPOS article (Franz, "Prosecution Problems with a Plurality of Inventions from a Single Project", 51 JPOS 559, 1969). With the Section 102(g) hazard, corporate patent filing problems are compounded manifold.

Since this matter constitutes but a subsidiary consideration and is not part of the thrust of this presentation, it need not be belabored any further.

In the light of the above discussion, Roger Milgrim's "tentative conclusion" that the second inventor would have no patent right and the first inventor would have the trade secret status, can now be firmed up.

As shown above, this follows from focusing on the Section 102(g) prior invention bar rather than on the Section 102(b) prior use bar which was the prevalent practice of prior authors (e.g. Brainard, supra at 133 and his citation of the Chemithon and Yarn Processing cases). But in defense of the prior authors it must be admitted that focusing on Section 102(g) is now possible, or at least easier, in view of such recent developments as the Bass case, which raised awareness of the Section 102(g) opportunities/problems and the Dunlop decision, which changed the meaning of "suppression" and "concealment" in a way which significantly favors the trade secret owner.

In view of these new developments, it should now indeed be possible and safer for a first inventor/trade secret owner to stand on his trade secret election rather than be "spurred into activity" and file an application as a panic-stricken but self-defeating reaction the moment he is alerted to competitive activities, in order to get into or provoke an interference in the hope of settling it on the basis of a royalty-free license.

Two caveats should be added however: First, the Dunlop case relates to a product and it is not a foregone conclusion that it would and could be extended to a process, i.e., practice of a secret process the product of which does not reveal the manner in which it was made. Secondly, the first inventor/trade secret owner faces perhaps litigation with the patentee in which he may have to carry a heavy burden of proof - but perhaps not inasmuch as in a showdown the patentee might back off in the face of a Section 102(g) defense.

IV. THE TRADE SECRET OWNER's IN PERSONAM RIGHT

In dealing with this subject many authors have recommended that the first inventor/trade secret owner be granted a limited in personam right permitting him to continue to practice his invention/trade secret. See, for instance, Benjamin, "The Right of Prior User", 26 JPOS 329 (1944); Gambrell, "The Constitution and the In Personam Defense of First Invention", 39 JPOS 791 (1957); Gambrell et al., "The Second Inventor's Patent, The Defense of First Invention, and Public Policy", 41 JPOS 388 (1959); and, in particular and very recently, Bennett, supra. See also Milgrim, "Trade Secrets", §8.02(3):

> "In practical effect, the foregoing analysis creates a kind of "shop right" in the first inventor and his assigns and licensees predating the second inventor's patent issuance."

And Ellis, "Trade Secrets", §180, speaks of "intervening rights":

> "On general grounds it would appear that intervening rights should exist in favor of one who

> has made a substantial investment to enable the public to buy the product of his machine or process. The secret user learned nothing from and owes nothing equitably or legally to the subsequent inventor. If the latter is granted a patent, it should not be enforceable against the prior secret user.
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> To give a patent to a subsequent inventor without barring him from suing the first inventor and secret user of the invention, would be to offer as a reward to anyone who could discover the invention by independent research the economic scalp of the first inventor and secret user. The only requirement would be to disclose the invention in a patent application. A user of a secret process or machine would never know when he would wake up to find he had to stop using his process or machine in which he had perhaps invested thousands of dollars and built up a substantial business."

Yet another author called it a "personal easement on the invention" (Silverstein, "The Value of Patents in the United States and Abroad ...", 8 Corn. Int'l L. Rev. 135, 1975).

The contrary position, a position exposed by patent advocates, has been expressed as follows:

> "(W)hen the choice is made to forego a patent and to rely on trade secret protection ... the inventor assumes the risk of being enjoined by a later patentee. A corollary to this approach views the trade secret right not as a vested property right but as analogous to an estate subject to a reversionary interest, enjoyed until the

> happening of a contingent event (issuance of a patent) at which time the property reverts to another (the patentee). (Bennett, id. at 756, ftnote 41).

This rationale, according to Bennett,

> "begs the question because it can hardly be an assumed risk when (1) Kewanee teaches that trade secrets and patents are not incompatible (2) no court has ever decided a case in which the issue was even raised." (ibid.)

Frankly, I cannot see myself how a court in these times of anti-patent bias could rule against a first inventor/trade secret owner.

At any rate, no explicit statutory or decisional "shopright", "intervening right", "personal easement" or "in personam right" exists in this country and none of the recent Patent Reform Bills ever contemplated one - safe one early exception - and no court is likely to create one but the above authors have pointed out that such right is a first inventor's common law right, exists already in reissue law, would be required by principles of equity and not according it would be taking property without compensation and hence would violate due process principles, etc.

From a narrow point of view, it may not be particularly material to a trade secret owner whether he is entitled to continued practice of his invention/trade secret because the later inventor's patent is invalid or is not enforceable against him. However, from a broader vantage point, it may of course be in his interest that his invention, which is now in the public domain by way of the latter inventor's patent, is not a free-for-all.

In conclusion, I submit there should be such a thing as such an in personam right. It is badly needed. It exists abroad. The arguments advanced in its favor are eminently logical and convincing. It would be the best and ideal solution and compromise between the illogical extremes of either having the first inventor/trade secret owner bow and scrape to the second inventor/patentee or having the second inventor/patentee end up with an invalid patent in a situation where the first inventor concealed the invention and took no steps to disclose it to the public.

As intimated above one early Patent Reform Bill had such a provision. It was S.1042 of 1967 vintage (90th Congress). It provided that a prior good faith inventor would have a personal defense as a "prior user" provided his actions had not caused a statutory bar effective against a subsequent inventor (Section 274).

I don't know why this kind of provision was not inserted in any of the subsequent bills. As I stated above, it is needed and should get back into the next bill, if and when there is one, and ultimately and soon into our Patent Code.

Karl F. Jorda