AIPLA

QUARTERLY JOURNAL

VOLUME 25, NUMBER 4 FALL 1997

ARTICLES

Small Entity Status: Who's "Small", Who Isn't, Who Should Be, and Why?

Richard A. Sterba 425

Charting a Novel Course: The Creation of the Patent Act of 1790

Edward C. Walterscheid 445

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

American Intellectual Property Law Association

OFFICERS 1997-1998

GARY L. GRISWOLD
President

MARGARET A. BOULWARE
President-Elect

LOUIS T. PIRKEY
First Vice President

M. ANDREA RYAN
Second Vice President

ROGER S. SMITH
Immediate Past President

BAILA H. CEDEDONIA
Secretary

SHELDON H. KLEIN
Treasurer

BOARD OF DIRECTORS

The Officers and

NORMAN L. BALMER
CHARLES BERMAN
EDWARD P. HELLER, III
JEROLD A. JACOVER
EDWARD T. LENTZ
PAUL F. MORGAN
EDWARD G. POPLAWSKI
PAUL F. PRESTIA
TERESA STANEK REA
WILLIAM C. ROOKLIDGE
ROGER S. SMITH
KATHLEEN R. TERRY
JOHN T. WIEDEMANN

ROBERT A. ARMITAGE
NCIPLA Council

MICHAEL K. KIRK
Executive Director

The AIPLA QUARTERLY JOURNAL is published quarterly and dedicated to presenting materials relating to intellectual property matters. The views and opinions expressed in the AIPLA QUARTERLY JOURNAL are those of the authors and do not necessarily reflect the views or positions taken by the American Intellectual Property Law Association, its Officers, Board of Directors, or membership.

AIPLA QUARTERLY JOURNAL

VOLUME 25, NUMBER 4 FALL 1997

EDITORIAL BOARD

JOAN E. SCHAFFNER, CHAIR
The George Washington University
Law School
Washington, DC

KENNETH R. ADAMO
Cleveland, OH

KEVIN R. CASEY
Valley Forge, PA

DANIEL D. CROUSE
Redmond, WA

GUY DONATIELLO
Valley Forge, PA

FLOYD A. GIBSON
Charlotte, NC

MARTIN E. GOLDSTEIN
New York, NY

MICHAEL D. KAMINSKI
Washington, DC

MARK A. LEMLEY
Austin, TX

NANCY J. LINCK
Washington, DC

GERALD J. MOSSINGHOFF
Washington, DC

RICK D. NYDEGGER
Salt Lake City, UT

AMY PAGE
Washington, DC

SHIRA PERLMUTTER
Washington, DC

JEFFREY M. SAMUELS
Washington, DC

VICTOR SIBER
Thornwood, NY

AIPLA QUARTERLY JOURNAL

VOLUME 25, NUMBER 4 FALL 1997

PUBLICATION STAFF

Editor in Chief
Joan E. Schaffner

Executive Managing Editor
Richard A. Sterba

Executive Articles Editor
Tom J. Boer

Executive Production Editor
Douglas W. Robinson

Executive Notes Editor
Rachel A. Stein

Articles Editors
Kelly L. Costello
F. James Cumberland, Jr.
Victor A. Flores
Daniel S. Song

Production Editors
C. Joseph Coleman, III
Jessica Resnick

Notes Editors
Jennifer N. Baraban
Teague I. Donahey
Jennifer M. Goldberg
Glenn E. Motelson

Staff

Ray Ausrotas
Kristyne Bullock
Tobi C. Clinton
Regina Crespo
Daniel Gadra
Rebecca Gradinger
Arielle Gradman
Eric Rico Hernandez
Dana Moskowitz
Frank Sebree
Jennifer Steiner
Brian Strawn

AIPLA student members interested in participating on the Publication Staff should direct inquiries, in writing, to AIPLA Quarterly Journal, 2001 Jefferson Davis Highway, Suite 203, Arlington, VA 22202-3694.

AIPLA QUARTERLY JOURNAL

CONTENTS

VOLUME 25, NUMBER 4 FALL 1997

© 1998 American Intellectual Property Law Association

ARTICLES

Small Entity Status: Who's "Small", Who Isn't, Who Should Be, and Why?

Richard A. Sterba 425

Charting a Novel Course: The Creation of the Patent Act of 1790

Edward E. Walterscheid 445

AIPLA QUARTERLY JOURNAL

VOLUME 25, NUMBER 4 PAGE 425 FALL 1997

SMALL ENTITY STATUS: WHO'S "SMALL", WHO ISN'T, WHO SHOULD BE, AND WHY?

Richard A. Sterba[*]

I. INTRODUCTION 426
II. THE BASIS OF SMALL ENTITY STATUS 426
III. WHO QUALIFIES FOR SMALL ENTITY STATUS 427
A. *Independent Inventor* 427
B. *Nonprofit Organization* 428
C. *Small Business Concern* 429
1. Definition Of Affiliate 430
2. Definition Of Employee 430
D. *Additional Explanations Of The Qualifications* 430
IV. CLAIMING SMALL ENTITY STATUS 431
V. EFFECT OF CLAIMING SMALL ENTITY STATUS IN ERROR AND POSSIBLE REMEDIES FOR SUCH AN ERROR 433
A. *Prior To Litigation* 433
B. *Avoiding The Outcome Of* DH Technology v. Synergystex 436
VI. INEQUITY EXISTS IN JUDGING SMALL ENTITY STATUS ON SIZE ALONE 440
VII. CONCLUSION 443

[*] © 1998 Richard A. Sterba. Mr. Sterba is currently a third-year student at The George Washington University Law School and is currently the Executive Managing Editor of the AIPLA QUARTERLY JOURNAL. After graduation, he will join the law firm of Kile & McIntyre LLP as an associate in its Washington, D.C. office.

I. INTRODUCTION

Every patent practitioner knows that if a client is a "small entity" then it can qualify for a fifty percent reduction of certain patent fees. This reduction can be a considerable sum of money because the fees that may be reduced range from $700 to $3000.[1] Unfortunately, the necessary qualifications for this special status are not always clear. Further, clients may sometimes act in ways to jeopardize their right to claim this status. Of similar concern is what happens when an applicant claims small entity status in error and how that applicant may remedy it, if at all. This article discusses the requisite qualifications for consideration as a small entity by the United States Patent and Trademark Office (PTO) and how to correct an error in claiming this status. It also examines an inequity in the law with respect to who may qualify as a small entity.

This article further contends that excluding annual revenues from the list of qualifications for small entity status is unfair to a business concern that does relatively little business, yet employs more than 500 people and consequently does not qualify under the existing requirements.

II. THE BASIS OF SMALL ENTITY STATUS

The Patent Act, Title 35 of United States Code, provides that certain fees[2] charged by the PTO "shall be reduced by 50 percent" for any small

---

[1] The costs of the various fees involved with obtaining and maintaining a patent are located at 37 C.F.R. §§ 1.16 - 1.21 (1997).

[2] The *Manual of Patent Examining Procedure* outlines the fees that are reduced: patent application fees, 37 C.F.R. § 1.16 (1997), extension of time, revival, and appeal fees, 37 C.F.R. § 1.17 (1997), patent issue fees, 37 C.F.R. § 1.18 (1997), statutory disclaimer fee, 37 C.F.R. § 1.20(d) (1997), and maintenance fees on patents, 37 C.F.R. § 1.20 (1997). *See* U.S. DEPARTMENT OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 509.03 (6th ed. rev. 1997)[hereinafter M.P.E.P.]. Because the inclusion of one is necessarily the exclusion of another, fees that are not enumerated, such as those established under 35 U.S.C. § 41(c) or (d) (1994), are not reduced. *See* M.P.E.P. § 509.02.

business concern, as defined by the Small Business Administration (SBA),[3] and also for any independent inventor or nonprofit organization as defined by the Commissioner of Patents and Trademarks (Commissioner).[4] The purpose of this statute is to make obtaining and maintaining a patent less costly for those companies presumably least able to bear those costs.[5] The ability to procure patent protection allows small companies to grow and compete in the marketplace. Therefore, it is important to make this protection available to these companies.

III. WHO QUALIFIES FOR SMALL ENTITY STATUS

As mentioned above, there are three classifications of small entities recognized by the PTO. These are independent inventors,[6] small business concerns,[7] and nonprofit organizations.[8] The qualifications for each of these classifications are somewhat different. Each type of small entity is mentioned, but this article focuses primarily on the small business concern because this type of small entity raises the most complex issues.

A. *Independent Inventor*

An independent inventor is an "inventor who (1) has not assigned, granted, conveyed, or licensed, and (2) is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention" to any person or concern who could not qualify as a small entity.[9] This requirement is straightforward: a small entity, the inventor or another party, must own all rights in the patent.

---

[3] The qualifications for small entity status established by the Small Business Administration (SBA) and the Commissioner of Patents and Trademarks (Commissioner) appear at 37 C.F.R. § 1.9 (1997).

[4] *See* 35 U.S.C. § 41(h)(1) (1994).

[5] *See* M.P.E.P., *supra* note 2, § 509.03.

[6] *See* 37 C.F.R. § 1.9(c) (1997).

[7] *See* 37 C.F.R. § 1.9(d) (1997).

[8] *See* 37 C.F.R. § 1.9(e) (1997).

[9] 37 C.F.R. § 1.9(c) (1997).

Rights in an invention include "the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States."[10] Therefore, an inventor who is obliged to allow his employer to practice the patent[11] could not qualify as a small entity.[12]

B. *Nonprofit Organization*

As defined by the Internal Revenue Service, a nonprofit organization is:

> (1) a university or other institution of higher education located in any country; (2) an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. § 501 (c)(3)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. § 501(a)); (3) any nonprofit scientific or educational organization qualified under a nonprofit organization statute of a state of this country (26 U.S.C. § 201(i)); or (4) any nonprofit organization located in a foreign country which would qualify as a nonprofit organization . . . if it were located in this country.[13]

Even though there are four categories of nonprofit organizations recognized by the PTO, the qualification process for this type of small entity is still relatively uncomplicated compared to the qualification of a small business concern.

---

[10] 35 U.S.C. § 154 (1994).

[11] This obligation is called the "shop-right" doctrine. The "shop-right" doctrine arises where an employee, during his hours of employment working with his employer's materials and appliances, conceives and perfects an invention for which he obtains a patent. Under such circumstances, the employee must accord his employer a nonexclusive right to practice the invention. *See* U.S. v. Dubilier Condenser Corp., 289 U.S. 178, 188-89, 17 U.S.P.Q. (BNA) 154, 158 (1933).

[12] *See* M.P.E.P., *supra* note 2, § 509.02.

[13] 37 C.F.R. § 1.9(e) (1997).

Although not explicitly stated in the statute, a nonprofit organization may not transfer any rights in the patent to any concern that could not qualify as a small entity and retain the small entity benefit.[14]

C. *Small Business Concern*[15]

The SBA defines a business concern eligible for reduced patent fees as one:

> (a) [w]hose number of employees, including affiliates, does not exceed 500 employees; and (2) [w]hich has not assigned, granted, conveyed, or licensed (and is under no obligation to do so) any rights in the invention to any person who made it and could not be classified as an independent inventor, or to any concern which would not qualify as a non-profit organization or a small business concern under this section.[16]

Under this classification, it is not as clear who qualifies as a small entity as it is under the two classifications previously described. Questions arise in the definition of an affiliate and the definition of an employee. Answers to these questions may be found in the Code of Federal Regulations, but not in any statute directly related to the patent laws or referenced by the statute defining small entity status for the purpose of obtaining patents.[17] The fact that answers to these questions are difficult to find is significant because, if the statute is read or interpreted incorrectly and small entity status is claimed in error, the results could be devastating.[18]

---

[14] *See* M.P.E.P., *supra* note 2, § 509.02.

[15] A small business concern is any business concern as defined by the SBA in Title 13 of the Code of Federal Regulations. *See* 37 C.F.R. § 1.9(d) (1997). The qualifications appear at 13 C.F.R. §§ 121.801-805 (1997).

[16] 13 C.F.R. § 121.802 (1997).

[17] *See* 13 C.F.R. §§ 121.103 and 121.106 (1997).

[18] In *DH Technology, Inc. v. Synergystex International, Inc.*, 937 F. Supp. 902, 40 U.S.P.Q.2d (BNA) 1754 (N.D. Cal. 1996), the court held a patent unenforceable where a "small business" paid small entity fees in error.

1. Definition Of Affiliate

The SBA defines concerns as "affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both."[19]

2. Definition Of Employee

The number of employees is calculated using the following principles:

> (1) The average number of employees of the concern is used (including the employees of its domestic and foreign affiliates) based upon numbers of employees for each of the pay periods for the preceding completed 12 calendar months. (2) Part-time and temporary employees are counted the same as full-time employees. (3) If a concern has not been in business for 12 months, the average number of employees is used of each of the pay periods for which it has been in business. (4) The treatment of employees of former affiliates or recently acquired affiliates is the same as for size determinations using annual receipts in [37 C.F.R.] § 121.104(d).[20]

Although these principles do not involve complicated mathematical formulae, they are very important because a mistake in calculating the number of employees could lead to a patent being held unenforceable.[21]

D. *Additional Explanations Of The Qualifications*

The restriction on the transfer of rights is a qualification for all types of small entities. The statute demands each small entity shall comply with this requirement because it is consistent with the intended purpose of the

---

[19] 13 C.F.R. § 121.103(a)(1) (1997).

[20] 13 C.F.R. § 121.106 (1997).

[21] See *infra* section V.B.

legislation conferring this benefit on small entities.[22] If rights in a patent are transferred to a non-small entity, but then are transferred back to a small entity so that *all* rights are again owned by a small entity, reduced fees may be claimed.[23]

The term "license" as it appears in the statute includes almost all types of licenses of patent rights.[24] An implied license, however, received from a small entity to use or resell any invention purchased from that small entity, will not affect the small entity's right to reduced patent fees.[25] Further, if a small entity sends an order to a non-small entity to build a prototype for the small entity's own use, this action is not considered a license for purposes of determining small entity status.[26]

IV. CLAIMING SMALL ENTITY STATUS

Claiming small entity status is a relatively simple task. The person or concern seeking to establish its right to the benefit need only file a verified statement in the patent application prior to, or at the time of, paying the first fee as a small entity.[27] Forms are provided in the *MPEP* for this purpose.[28]

All parties owning rights in the invention must file a verified statement to demonstrate that all rights in the invention are owned by small entities.[29] To avoid repetition, a small entity need only file a verified statement at the time the small entity makes its first payment as a small

---

[22] *See* M.P.E.P., *supra* note 2, § 509.02.

[23] *See id.*

[24] Types of licenses that are explicitly included are nonexclusive and exclusive licenses and royalty-free and royalty generating licenses. *See id.*

[25] *See id.*

[26] *See id.*

[27] *See* 37 C.F.R. § 1.27(a) (1997).

[28] *See* M.P.E.P., *supra* note 2, § 509.03.

[29] *See* 37 C.F.R. § 1.27 (1997).

entity. After such payment, the small entity only needs to file a statement to declare a change in status; i.e., a loss of the benefit.[30]

The identity of the person signing the verified statement is also of great importance. A patent attorney or patent agent may not sign this statement on behalf of the client.[31] In the case of an independent inventor, the inventor must sign the statement.[32] In the case of joint inventors, each must sign the statement.[33] In the case of the small business concern or nonprofit organization, the owner or other official empowered to act on behalf of the concern or organization must sign the statement.[34]

The basic content of the verified statement is common to all three types of small entities. Each verified statement must: (1) aver that the person, concern, or organization qualifies as a small entity of the appropriate type; and (2) aver that all rights in the invention remain exclusively with the person, concern, organization, or another small entity.[35] Although the rules do not explicitly state that an independent inventor must include the second element, it may be included in the interest of thoroughness, as it will act as a reminder to the patent holder and the attorney prosecuting the application of the existence of that portion of the qualifications.

---

[30] *See* 37 C.F.R. § 1.28(a) (1997).

[31] *See* M.P.E.P., *supra* note 2, § 509.03.

[32] *See* 37 C.F.R. § 1.27(b) (1997). Exceptions to this requirement include: when the inventor is dead, *see* 37 C.F.R. § 1.42 (1997), when the inventor is insane or legally incapacitated, *see* 37 C.F.R. § 1.43 (1997), or when the inventor cannot be found after reasonable diligence or is unwilling to sign, *see* 37 C.F.R. § 1.47 (1997).

[33] *See* 37 C.F.R. § 1.27(b) (1997).

[34] *See* 37 C.F.R. §§ 1.27(c) and (d) (1997).

[35] *See* 37 C.F.R. § 1.27 (1997).

V. EFFECT OF CLAIMING SMALL ENTITY STATUS IN ERROR AND POSSIBLE REMEDIES FOR SUCH AN ERROR

This section examines the effects of claiming small entity status in error and possible remedies under two circumstances, prior to litigation and after litigation has commenced.

A. *Prior To Litigation*

The reason a patent attorney may not sign the verified statement on behalf of the client is that the PTO wants the person signing to be in the best possible position to know whether the client is entitled to that benefit.[36] The attorney is not necessarily adequately informed because the client may not have fully disclosed complete corporate information to the attorney. Unfortunately, clients may do any number of things to jeopardize their status, and the enforceability of the patent, without knowing it.

For example, clients may not disclose all affiliates to their attorney; they may license a non-small entity for purposes of production without informing their patent attorney of the arrangement; or they may license the patent to a non-small entity for the purposes of generating some much-needed royalties without telling their patent attorney. These actions may not be disclosed to the patent attorney, not to deceive the attorney or the PTO, but simply because the client does not think it is important to tell the patent attorney. For this reason it is very important that patent attorneys fully explain to a client, preferably both orally and in writing, what it means to be a small entity when the subject first arises. Unfortunately, despite all attempts to the contrary, sometimes small entity status may still be claimed in error. The law provides some remedies for correcting this error and preserving the validity of the patent provided it is not "too late"[37] and the error was in "good faith."[38]

---

[36] *See* M.P.E.P., *supra* note 2, § 509.03.

[37] A definition of "too late" follows. *See infra* section V.B.

[38] 37 C.F.R. § 1.28(c) (1997).

Small entity status must be established either prior to paying the first fee as a small entity or at the time that first fee is paid.[39] Failure to do so precludes the applicant from being entitled to the reduction in fees.[40] The patent attorney or applicant, however, may take remedial action after payment in error. For example, if full fees are paid and later it is discovered the client is a small entity, the applicant may submit a request for a refund of the amount overpaid along with the verified statement claiming small entity status, provided the applicant makes the request within two months of the timely payment of the full fees.[41] As stated earlier, the PTO requires no notification of loss of small entity status until the next fee is due. The statement declaring loss of small entity status may be signed by any person qualified to sign the initial declaration or by the patent attorney or agent representing the client.[42] Additionally, although a client remains a small entity for all fees regarding the same patent or application, it should be noted that a client may qualify for small entity status benefit with respect to one patent or application and not with respect to another.[43]

The problem discussed above was a failure to claim small entity status although the client is a small entity. Another, more grave problem is claiming small entity status when the client is not a small entity.[44] If the patent attorney or the client realizes this error within three months from the time the fee was paid and the error was made in good faith, then to rectify the situation, the client need only pay the amount deficient to the PTO.[45] If however, the error is discovered more than three months after the payment was made, the patent attorney or the client must send the amount deficient to the PTO accompanied by "a statement explaining how the error in good

---

[39] *See* 37 C.F.R. § 1.28(a) (1997).

[40] *See id.*

[41] *See id.*

[42] *See* 37 C.F.R. § 1.28(b) (1997).

[43] *See* 37 C.F.R. § 1.28(a) (1997).

[44] The reason this problem is more grave is because the first problem could result in a loss of money, this second problem could result in the loss of the patent.

[45] *See* 37 C.F.R. § 1.28(c) (1997).

faith occurred and how and when the error was discovered."[46] This caveat, however, follows the good faith requirement: "[a]ny attempt to fraudulently (i) establish status as a small entity or (ii) pay fees as a small entity *shall* be considered as a fraud practiced or attempted on the Office."[47] Similarly the statute warns "[i]mproperly and with intent to deceive (i) [e]stablishing status as a small entity, or (ii) [p]aying fees as a small entity *shall* be considered as a fraud practiced or attempted on the Office."[48]

The PTO will not provide advisory reports as to a person's or concern's status as a small entity. During Congressional consideration of the legislation providing for reduced patent fees, a condition for approval was that no additional resources would be necessary to certify applicants as small entities.[49] Thus, the PTO relies exclusively on self-certification.[50] The SBA, however, will make advisory opinions to a person or concern regarding its size status.[51] An advisory opinion is neither binding on the party nor appealable by the party.[52] In the alternative, the SBA also will make formal size determinations that are binding on the party. Although the statute does not specifically address initiation of advisory opinions, a party may request a formal size determination from the SBA.[53]

The *MPEP* states that improperly paid maintenance fees (i.e., fees paid as small entities in error) are not considered to involve expiration of the

---

[46] *Id.*

[47] 37 C.F.R. § 1.28(d)(1) (1997) (emphasis added).

[48] 37 C.F.R. § 1.28(d)(2) (1997) (emphasis added).

[49] *See* M.P.E.P., *supra* note 2, § 509.03.

[50] See *id.*

[51] *See* 13 C.F.R. § 121.803 (1997).

[52] *See id.*

[53] *See* 13 C.F.R. § 121.805(d) (1997).

patent under Rule 378,[54] but are treated in the manner to be discussed in the next section, prior to three months or after three months.[55]

B. *Avoiding The Outcome Of* DH Technology v. Synergystex

The system of handling errors as discussed in the preceeding section, appears to deal with problems efficiently. It does not really matter that a patentee or applicant claims small entity status in error as long as the patentee or applicant realizes and corrects the error.[56] No time limits appear in the statute. This omission begs the question: is any time "too late" to remedy a claim of small entity status in error? This question was at issue in a 1996 case, *DH Technology, Inc. v. Synergystex Int'l, Inc.*[57]

In this case, the plaintiff, DH Technology, sued Synergystex for patent infringement. Synergystex sought summary judgment on the issue of whether the patent-at-issue was unenforceable because of the plaintiff's inequitable conduct in allegedly fraudulently signing an affidavit claiming small entity status.[58] The court granted the defendant's motion without reaching the issue of inequitable conduct because the court decided that even if the error was made in good faith, it was too late to correct the error.[59] The Court of Appeals for the Federal Circuit has held a patent obtained by fraud unenforceable.[60] That being the case, the court in *DH Technology* did not find inequitable conduct (i.e., fraud) but still found the patent unenforceable.[61] The court noted that had the plaintiff truly verified its status as a small

---

[54] Rule 378 refers to 37 C.F.R. § 1.378.

[55] *See* M.P.E.P., *supra* note 2, § 509.03.

[56] See *supra* section V.A.

[57] 937 F. Supp. 902, 40 U.S.P.Q.2d (BNA) 1754 (N.D. Cal. 1996).

[58] *See id.* at 903, 40 U.S.P.Q.2d (BNA) at 1755.

[59] *See id.*

[60] *See* Smith Int'l Inc. v. Hughes Tool Co., 759 F.2d 1572, 1578, 225 U.S.P.Q. (BNA) 889, 893 (Fed. Cir. 1985).

[61] *See DH Tech.*, 937 F. Supp. at 910, 40 U.S.P.Q.2d (BNA) at 1761.

entity, it would have learned that it was not qualified.[62] The plaintiff contended that it was very difficult to obtain an exact headcount of employees and that it was only twelve employees over the limit.[63] The court gave no weight to this argument and was very unsympathetic to the plaintiff's position.[64]

The significant issue the court decided in this case was whether section 1.317 of Title 37 of the Code of Federal Regulations concerning delayed payment of balance of issue fee applies to the situation of paying an issue fee as a small entity in error or instead whether section 1.28(c) alone applies.[65] Section 1.317 sets a time limit of one year and three months after the error occurred in which to remedy the situation and section 1.28(c) specifies no time period at all.[66] The court summed up the relevant provisions of section 1.317 as "*unintentional* payment of the wrong issue fee can only be corrected within a year and three months after receiving notice of the error, while *unavoidable* payment of the wrong issue fee can be corrected at any time."[67]

The court's analysis began with the question: was the delayed payment of the issue fee unintentional or unavoidable? If the delayed payment of the issue fee was unavoidable, the Commissioner may accept the proper payment and no lapse will have ever occurred.[68] Whether delay is "unavoidable delay" is decided on a case-by-case basis and the Commissioner takes "all of the facts and circumstances into account."[69] The

---

[62] *See id.* at 906, 40 U.S.P.Q.2d (BNA) at 1758.

[63] *See id.* at 905-06, 40 U.S.P.Q.2d (BNA) at 1758.

[64] *See id.* at 902, 40 U.S.P.Q.2d (BNA) 1754.

[65] *See id.*; 37 C.F.R. §§ 1.28(c) and 1.317 (1997).

[66] *See* 37 C.F.R. §§ 1.317 and 1.28(c) (1997).

[67] *DH Tech.*, 937 F. Supp. at 908, 40 U.S.P.Q.2d (BNA) at 1760.

[68] *See* 35 U.S.C. § 151 (1994).

[69] Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977, 982 (D.C. Cir. 1982).

standard used in this analysis is that of the reasonably prudent person.[70] The court concluded that the plaintiff's payment of the wrong issue fee was not unavoidable because "a reasonably prudent person would have taken steps to carefully verify small entity status before paying a small entity issue fee, as the PTO regulations would require."[71]

The court next addressed the interaction of the two statutes, noting that the legislative history is silent on the issue of which statute controls.[72] The court concluded that the absence of a reference to the deadline in the statute describing how to remedy a small entity status error does not preclude application of that deadline.[73]

With that in mind and given how seriously the PTO views an improper claim of small entity status, the court

> f[ound] it implausible that the PTO intended that unintentional errors in claiming small entity status could be corrected up until the day the patent term expires, while unintentional delays in payment of an increase in the issue fee could only be corrected within a year and three months of receiving notice of the increase.[74]

Following that logic, the court read the statues in conjunction and applied the one year and three months deadline to the correction of a small entity status issue fee paid in error.[75]

Thus, under the interpretation of these statutes by the District Court for the Northern District of California:

---

[70] *In re* Patent 4,409,763, 7 U.S.P.Q.2d (BNA) 1798, 1800 (Comm'r Pat. 1988)(quoting *Ex Parte* Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887); *In re* Mattullath, 38 App.D.C. 497, 514-15 (D.C. Cir. 1912)).

[71] *DH Tech.*, 937 F. Supp. at 907, 40 U.S.P.Q.2d (BNA) at 1759.

[72] *See id.* at 909, 40 U.S.P.Q.2d (BNA) at 1761.

[73] See *id.*

[74] *Id.* at 909, 40 U.S.P.Q.2d (BNA) at 1761.

[75] *See id.* at 908, 40 U.S.P.Q.2d (BNA) at 1761.

> a good faith error in claiming small entity status, and in paying small entity issue fee, must be corrected no later than one year and three months after the date of the notice of allowance, or within three months of the PTO's denial of a timely petition to accept late payment due to unavoidable delay.[76]

At the time of trial, the issue fee was more than three years late; accordingly, the court found the patent had lapsed and was unenforceable.[77]

The lessons to be learned from *DH Technology* are that small entity status is a very serious matter and courts are willing to find patents unenforceable on the grounds of small entity status claimed in error. Few cases even mentioned this issue prior to this 1996 decision; perhaps claiming small entity status in error may not have been considered a viable defense to patent infringement. As a result of this decision, patent counsel should pay particular attention to claiming small entity status in order to avoid a fate similar to DH Technology's. Unless counsel and the client are certain that the client qualifies for this benefit, it should not be claimed.

Fortunately for patent owners claiming small entity status, the United States District Court for the District of Maine does not agree with this holding.[78] In *Jewish Hospital of St. Louis v. Idexx Laboratories*, the plaintiff improperly claimed small entity status and sued the defendant for patent infringement.[79] Just prior to trial, the plaintiff petitioned the Commissioner to accept additional fees to compensate for the previously underpaid fees.[80] The Commissioner accepted the petition and the fee and the PTO considered the fees considered paid in full.[81] The defendant contended that too much

---

[76] *Id.* at 909, 40 U.S.P.Q.2d (BNA) at 1761.

[77] *See id.* at 910, 40 U.S.P.Q.2d (BNA) at 1761.

[78] *See* Jewish Hosp. of St. Louis v. Idexx Lab., 951 F. Supp. 1, 2, 42 U.S.P.Q.2d (BNA) 1720, 1721 (D. Me. 1996).

[79] *See id.*

[80] *See id.* at 2, 42 U.S.P.Q.2d (BNA) at 1721.

[81] *See id.*

time had lapsed and the fees could not be supplemented in this manner.[82] The court disagreed on the grounds that "there is no policy reason to read into the law such a drastic sanction for the improper claim of small entity status."[83] The court denied the defendant's summary judgment motion on the issue of unenforceability of the patent due to insufficient fees.[84]

These two cases fall squarely on opposite sides of the same issue. The good news is that in Maine, the error may not result in the untimely demise of a patent owner's claim; the bad news is that in California, it very well may. Perhaps this split is the precursor to a Federal Circuit decision on the effects of claiming small entity status in error.

VI. INEQUITY EXISTS IN JUDGING SMALL ENTITY STATUS ON SIZE ALONE

The SBA has the authority to set the qualifications of a small business concern for reduced patent fees.[85] It established a two- part test: (a) the business concern must have less than 500 employees and affiliates; and (b) the business concern must own all rights in the patent.[86] Unfortunately, this two-part test does not meet the intentions of the legislation which enabled its creation.

The SBA designed this test to be straightforward so that a qualifying company would not have too much trouble determining whether in fact it qualifies. The legislation establishing the reduction in fees for small entities had two goals: (1) no additional funds were to be allocated to the process of determining who qualifies and who does not, and (2) the fee reductions were intended to benefit the business concerns that are least able to pay full patent fees.[87] While it is true under the regulations that the PTO does not spend any additional funds to classify applicants as small entities or large entities,

---

[82] *See id.*

[83] *Id.*

[84] *See id.*

[85] *See* 35 U.S.C. § 41(h)(1) (1994).

[86] *See* 37 C.F.R. § 1.9 (1997).

[87] *See* M.P.E.P., *supra* note 2, §§ 509.02 and 509.03.

he fee reductions do not necessarily help those concerns that need them the nost. Thus, the SBA's test clearly meets the first goal, but it does not meet he second goal.

There are a number of benefits available to "small" businesses, not the east of which is reduced patent fees. The SBA has the duty to set standards o define whether a business concern is "small" and thus eligible for ;overnment benefits reserved for "small businesses."[88] These "[s]ize tandards have been established for types of economic activity, or industry, ;enerally under the Standard Industrial Classification (SIC) System."[89]

The SBA uses a number of factors to determine the size standards in he many different areas that entities may be classified as small to receive inancial aid from the federal government.[90] Yet in the field of patent cquisition, there is only one test, the number of employees, that applies to ll industries in all technologies seeking patent protection. While the umber of employees is often used as a size standard, *annual receipts* also are sed in many industries to determine who is "small" and who is not. It eems only fair that the test for small entity status be changed to include an nnual receipts test to accompany the number of employees test.[91] This ddition is necessary to make the determinations of small entity status more ncompassing of the factors that make up the total financial picture of any usiness concern.

In many areas the SBA relies on annual receipts as a measurement of he size of a business.[92] It does not appear to be an arduous task for the SBA o include an annual receipts test in the overall qualifications for small entity

---

[88] 13 C.F.R. § 121.101 (1997).

[89] *Id.*

[90] These factors include: degree of competition, average firm size, start-up costs and entry barriers, distribution of firms by size, technological changes, competition from other industries, growth trends, historical activity within an industry, unique factors in the industry, etc. *See* 13 C.F.R. § 121.102 (1997).

[91] The prong requiring the concern to own all of the rights in the patent is readily accepted and undisputed by the author.

[92] *See* 13 C.F.R. § 121.201 (1997).

status. Along with setting annual receipts standards for a large number of industries, the SBA has adopted a default size standard for industries which have yet to be classified of $5.0 million per year.[93] At the very least, this default size standard should be adopted to join the 500 employees standard as a qualification for small entity status in the field of patent acquisition.

For example: under the present test a business having 505 employees and $4.0 million in annual receipts would not qualify for small entity status patent fee reduction, but a business with 495 employees and annual receipts in excess of $10 million would get the reduced patent fee benefit.[94] Because one of the goals was to help businesses least able to pay the full patent fees, ability to pay should be an issue. Under the test proposed by this article, each business in the example would qualify. The second business would qualify under the less than 500 employees test already in place and the first would qualify under the less than $5.0 million in annual receipts test. To put it a different way, instead of having an "A AND B" test, there should be an "(A OR C) AND B" test.

This proposed change is not meant to be an absolute remedy for all of the problems that exist in qualifying some people for a benefit and disqualifying others. This change, however, would benefit the company that has more than 500 employees, yet is suffering declines in generating revenues. It may be unlikely that there are many companies that would benefit from this change, but even if only a few were able to benefit, the principles of equity would be served. The purpose of allowing reduced patent fees, helping those least able to afford them, would more clearly be served by the proposed change in the standard. Further, this additional option in the test requires no more additional work on the part of the PTO or the business seeking to claim the benefit.

In addition, the proposed standard requires very little additional work by the SBA, as the size standards for annual receipts are already in place, and the proposed standard better serves the original goals of the legislation. The process for determining a business's annual receipts is fully

---

[93] *See id.*

[94] Assume both businesses own all of the rights in their respective patents.

detailed in section 121.104 of Title 13 of the Code of Federal Regulations.[95] It essentially involves looking at the completed federal tax returns for the last three years and taking the average of those years.[96] In many respects, this process is as simple and straightforward a method for qualification as counting the number of employees on the payroll.

It is certainly not the intent of this article to denigrate the SBA or its determinations of size standards. In fact, the size standards that are in place seem quite effective. However, not all of the means for qualifying as a small entity apply to qualification for reduced patent fees.[97] This inequity is what this additional option seeks to remedy. The test for small entity status is good, but it could be better.

VII. CONCLUSION

This article began with the basis of the benefit, who qualifies for the benefit, and how to claim the benefit of small entity status. It also examined the ramifications of claiming small entity status in error to support the proposition that overlooking this area may be very detrimental to the life of a patent. Although this may seem to be a relatively uncomplicated and straightforward aspect of patent law, it is an area that needs to be taken seriously and requires attention.

The harm attributable to overlooking this "simple" area of patent practice may cause irrevocable damage to a client's claim of infringement of a now unenforceable patent. Those who qualify for small entity status deserve its benefits, but those who do not, should not receive them.

Allowing businesses to qualify based on annual receipts as well as number of employees would make claiming the benefit more equitable. In the end, that is all small entity status was created for--equity and fairness.

---

[95] *See* 13 C.F.R. § 121.104 (1997).

[96] *See id.*

[97] *See* 13 C.F.R. § 121.802 (1997).

AIPLA QUARTERLY JOURNAL

VOLUME 25, NUMBER 4 PAGE 445 FALL 1997

CHARTING A NOVEL COURSE: THE CREATION OF THE PATENT ACT OF 1790

Edward C. Walterscheid[*]

I. INTRODUCTION 447
II. THE BACKDROP 448
A. *English Practice* 449
B. *Colonial And State Practice* 451
III. FIRST SESSION, FIRST FEDERAL CONGRESS 454
A. *The First Petitions* 455
B. *The Fitch Petition* 460
C. *The First Patent Bill [H.R. 10]* 462
D. *Library Of Congress Typescript* 466
1. Patentability And Publication 467
2. Proposing A Registration System 471
3. The Specification 473
4. Oppositions And Interferences 474
5. Enforcement And Costs 478
E. *Failure To Act On H.R. 10* 480
F. *Examination Proposed By Rumsey* 481
G. *More Petitions* 482
IV. SECOND SESSION, FIRST FEDERAL CONGRESS 484
A. *Washington's Recommendation* 484
B. *What To Do About H.R. 10* 488
C. *More Petitions* 492
D. *Bailey's Bill* 493
E. *The Second Patent Bill [H.R. 41]* 499
1. How To Determine Priority Of Invention 500
2. Deleting The Express Authorization For Patents Of Importation 501
3. Wells' Petition 503
4. Constitutional Concerns 506
5. The Senate Receives Amended H.R. 41 510

[*] © 1998 Edward C. Waltersheid. Mr. Walterscheid is Deputy Laboratory Counsel at the Los Alamos National Laboratory, Los Alamos, New Mexico.

6. The Senate Committee Report 513
7. The Senate Amendments 518
8. Jefferson And The Senate Amendments 523
9. Final Actions 524
V. PERSPECTIVES 525

I. INTRODUCTION

The first federal Congress faced a daunting set of tasks when it convened on March 4, 1789. Not only did it have to establish the statutory frame of governance for the new federal government but it also had to commence the creation of new federal substantive and procedural law. It had to do this within both the specific grants of authority and the restrictions imposed upon it by the Constitution.[1]

Because it was writing on a clean slate, or as George Washington phrased it, walking "on untrodden ground,"[2] the activities of the First Congress provide a remarkable opportunity for present-day constitutional and legal historians to inquire into what it was like to be present at the creation. We ought never to forget Oliver Wendell Holmes' statement that "[t]he history of what the law has been is necessary to the knowledge of what the law is."[3] The documentary history of the first federal Congress provides a unique opportunity to explore not only what the law has been but what it was at its inception.[4]

---

[1] For the issues of constitutional interpretation faced by the first federal Congress, *see, e.g.*, David P. Currie, *The Constitution in Congress: The First Congress and the Structure of Government, 1789-1791*, 2 U. CHI. L. SCH. ROUNDTABLE 161 (1995); David P. Currie, *The Constitution in Congress: Substantive Issues in the First Congress, 1789-1791*, 61 U. CHI. L. REV. 775 (1994); Kent Greenfield, *Original Penumbras: Constitutional Interpretation in the First Year of Congress*, 26 CONN. L. REV. 79 (1993).

[2] Letter from George Washington to Catherine Macaulay Graham (Jan. 9, 1790), *in* 30 THE WRITINGS OF GEORGE WASHINGTON, at 495, 496 (John C. Fitzpatrick ed., 1939).

[3] OLIVER WENDELL HOLMES, THE COMMON LAW 33 (Mark DeWolfe Howe ed., 1963).

[4] The First Federal Congress Project is presently publishing this documentary history. *See* THE FIRST FEDERAL CONGRESS PROJECT, THE DOCUMENTARY HISTORY OF THE FIRST FEDERAL CONGRESS OF THE UNITED STATES OF AMERICA, MARCH 4, 1789-MARCH 3, 1791 (Linda Grant DePauw et al. eds., 1977-1995) [hereinafter DOCUMENTARY HISTORY]. To date, 14 volumes have been published.

Nowhere is this situation more true than with the patent law. The Constitution implicitly gave the Congress power to grant patents for invention,[5] but more than a year would pass before it got around to enacting such legislation, and it would do so only after being importuned by Washington regarding the need for this legislation.[6] When it was finally enacted, the Patent Act of 1790[7] created a significantly different United States patent system than originally had been proposed; one that, while patterned to a considerable degree on its English counterpart, was in a number of respects uniquely American. The purpose of this article is to explore how the Patent Act of 1790 came into being and why it came to have its particular content.[8] The place to begin is with the immediate backdrop of the stage on which the Congress acted.

II. THE BACKDROP

To understand the origins of the first United States patent statute, it is first necessary to recognize that it was not cut from whole cloth. While the Continental Congress, operating under the Articles of Confederation, had not issued patents or enacted any patent legislation,[9] there was nonetheless

---

[5] The power was implicit rather than explicit because the Constitutional language does not mention patents but rather speaks in terms of a grant to the Congress of power to secure for limited times to inventors the exclusive right to their discoveries. *See* U.S. CONST., art. I, § 8, cl. 8. However, at the time this was generally understood, in accordance with the English practice, to be the essence of the patent grant.

[6] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 253.

[7] *See* Act of Apr. 10, 1790, 1 Stat. 109 (1790).

[8] There are several older works that address this topic to some degree. *See* BRUCE BUGBEE, GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW 131-45 (1967); Frank D. Prager, *Proposals for the Patent Act of 1790*, 36 J. PAT. OFF. SOC'Y 157 (1954); P. J. Federico, *The First Patent Act*, 14 J. PAT. OFF. SOC'Y 237 (1932).

[9] It was precluded from doing so by Article II, which stated: "Each State retains its sovereignty, freedom and independence, and every power, jurisdiction, and right, which is not by this Confederation expressly

a patent custom extant in both the infant United States and in Great Britain. At the time the United States transitioned to the federal form of government, the patenting of inventions had been practiced for several centuries.[10] Indeed, the legal form of letters patent, at least in the English context, was not only time-honored but timeworn.[11]

A. *English Practice*

The Statute of Monopolies,[12] enacted in 1623, remained the only statutory basis for the English patent practice in the eighteenth century.[13] In most respects, the Statute was simply a recapitulation in statutory form of the existing common law.[14] The first section declares as contrary to the law of the realm and utterly void all monopolies, grants, licenses, and letters patent theretofore made or granted, or thereafter to be made or granted, to any person or persons, bodies politic or corporate, of or for the sole buying,

---

delegated to the United States, in Congress assembled." ARTICLES OF CONFEDERATION art. II. Article II's use of the term "expressly" severely restricted the national government's authority, i.e., "the United States, in Congress assembled." *Id.* If one interprets the language of Article II literally, if a power, jurisdiction, or right was not expressly delegated, the Congress could not exercise that authority. This was the reason that the Continental Congress never attempted to issue patents or grant any form of exclusive rights to inventors in their inventions: the power to do so simply was not delegated to the Congress by the Articles. For a discussion of how the language of Article II originated, see Edward C. Walterscheid, *To Promote the Progress of Science and Useful Arts: The Background and Origin of the Intellectual Property Clause of the United States Constitution*, 2 J. INTELL. PROP. L. 1 (1994).

[10] *See* BUGBEE, *supra* note 8, at 2.

[11] *See* Frank D. Prager, *Historic Background and Foundation of American Patent Law*, 5 AM. J. LEGAL HIST. 309 (1961).

[12] Statute of Monopolies, 21 Jam. 1, ch. 3 (1623).

[13] *See* Walterscheid, *supra* note 9, at 12.

[14] *See id.*

selling, making, or using of anything within the realm.[15] Section 2 provides that the force and validity of all monopolies, and all commissions, grants, licenses, charters, letters patent, proclamations, etc., tending toward monopoly shall be determined in accordance with common law.[16] Section 3 provides that no person, body politic, or corporation may use or exercise any monopoly right granted by any commission, grant, license, charter, letters patent, proclamation, etc.[17] Section 4 grants any party aggrieved by a monopoly the right to recover treble damages and double costs in the common-law courts.[18]

Sections 5 through 14 set forth a variety of exceptions to the mandate of section 1. Of specific interest here is section 6, which provides that:

> any declaration before mentioned shall not extend to any Letters Patents and Grants of Privilege for the term of fourteen years or under, hereafter to be made, of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor and inventors of such manufactures, which others at the time of making such Letters Patents and Grants shall not use, so as also they be not contrary to the law, nor mischievous to the state . . . [t]he said fourteen years to be accounted from the date of the first Letters Patents, or Grant of such Privilege hereafter to be made, but that the same shall be of such force as they should be, if this Act had never been made, and of none other.[19]

The First Congress clearly was cognizant that this language sanctioned the existing English patent practice.

---

[15] Statute of Monopolies, 21 Jam. 1, ch. 3, § 1 (1623).

[16] *Id.* § 2.

[17] *Id.* § 3.

[18] *Id.* § 4.

[19] *Id.* § 6.

Further, the First Congress was aware that the English patent practice also was governed by certain common law judicial decisions,[20] although the extent to which it was aware of the content and nature of those decisions is much less clear.[21] The Congress certainly was knowledgeable about some of them, for as will be seen it sought to incorporate certain elements of the English practice into the new United States law.

B. *Colonial And State Practice*

The Congress may well have had some knowledge that colonial legislatures and assemblies had issued colonial patents prior to the Revolution, but this knowledge would not have had much relevance to it other than to show that a patent custom had existed for a considerable period in what was now the United States. There is nothing to indicate that the colonial patent custom influenced in any way either the language of the patent bills that were introduced or that of the Act of 1790.[22]

---

[20] The number of common law cases prior to 1790 and when they actually occurred is a matter of some dispute. Abbott reports 18 such cases including 3 prior to the eighteenth century, 1 in the 1730s, 1 in the 1760s, 3 in the 1770s, and 10 in the 1780s. *See* BENJAMIN VAUGHAN ABBOTT, 1 DECISIONS ON THE LAW OF PATENTS FOR INVENTIONS RENDERED BY ENGLISH COURTS SINCE THE BEGINNING OF THE SEVENTEENTH CENTURY xvii (1887) [hereinafter ABBOTT'S P.C.]. Dutton states that 1 case occurred in the 1750s, 4 in the 1770s, and 9 in the 1780s. *See* HAROLD I. DUTTON, THE PATENT SYSTEM AND INVENTIVE ACTIVITY DURING THE INDUSTRIAL REVOLUTION, 1750-1852, at 71 (1984). There were also a number of unreported cases. Oldham provides information on 10 unreported patent cases tried before Lord Mansfield during the period 1766-1783. *See generally* JAMES OLDHAM, 1 THE MANSFIELD MANUSCRIPTS AND THE GROWTH OF ENGLISH LAW 723-71(1992).

[21] For a discussion of the common law opinions following the Statute of Monopolies and to 1800, see Edward C. Walterscheid, *The Early Evolution of the United States Patent Law (Part 3)*, 77 J. PAT. & TRADEMARK OFF. SOC'Y 771 (1995).

[22] Bugbee argues that the colonial patent custom did play a significant role in the introduction of the Intellectual Property Clause into the Constitution. *See* BUGBEE, *supra* note 8, at 2-3.

What did have more immediate relevance to the First Congress was the practice of the various states in issuing patents.[23] "No state ever enacted a general patent statute assuring the right of inventors to obtain exclusive rights in their inventions for some limited period of time."[24] South Carolina, however, did address the issue in the context of its copyright statute. In 1784, the state enacted a copyright law that contained the following clause: "[t]he Inventors of useful machines shall have a like exclusive privilege of making or vending their machines for the like term of 14 years, under the same privileges and restrictions hereby granted to, and imposed on, the authors of books."[25] The statute did not include a provision for administrative procedures to implement this clause. Consequently, the granting of each patent in South Carolina, as in every other state, required a special act of the legislature.[26]

Following the cessation of hostilities with Great Britain, a significant renewal of patenting activity occurred.[27] In particular, states such as Pennsylvania, which had little or no experience with the patent custom as colonies now found themselves actively granting patents. Although the number of patents granted was not great,[28] and the practice was

---

[23] *See id.*

[24] Walterscheid, *supra* note 9, at 16.

[25] BUGBEE, *supra* note 8, at 93 (citation omitted).

[26] *See id.*

[27] *See id.* at 84.

[28] Bugbee is the best extant source; he lists some 23 state patents as having been granted between 1779 and 1791. *Id.* at 85-103. He limits his coverage, however, to so-called patents of invention and excludes patents for importation even though during this period novelty was not precluded merely because the subject matter of the grant previously had been known or practiced elsewhere. Even including patents of importation, it is unlikely that more than 30 patents were granted during this period.

inconsistent,[29] it nonetheless had considerable significance in demonstrating the interest of both inventors and state governments in promoting manufactures and the useful arts by this particular mechanism.

The immediate backdrop also contained a consideration that the members of the First Congress could not ignore. The constitutional language that empowered the Congress to issue patents, either by individual private acts or through a general act, obligated the Congress to use that power within certain specific constraints. Thus, the exclusive right known as a patent could only be given for the purpose of "promoting the Progress of Science and useful Arts" and it could only be for a "limited" term.[30] In addition, it could only be given to "Inventors" for "their . . . Discoveries."[31]

The Constitutional Convention in 1787 had little immediate effect on the patent custom in the United States. State patents were still sought, although to a much lesser extent, while inventors first waited to see whether the Constitution would be adopted and then what the Congress would do when the Constitution went into effect. In particular, the struggle for state patent rights with regard to the steamboat continued between John Fitch and James Rumsey.[32] This struggle quickly became a priority contest that extended into the new federal patent arena.[33]

---

[29] The terms and conditions varied from grant to grant and some states did not issue patents at all.

[30] U.S. CONST. art. I, § 8, cl. 8.

[31] *Id.* For the origin of the constitutional language see Walterscheid, *supra* note 9, at 1-3.

[32] The struggle began in 1785. For discussions of the earlier aspects of this battle for state patents, see Frank D. Prager, *The Steamboat Pioneers Before the Founding Fathers*, 37 J. PAT. OFF. SOC'Y 486 (1955); THOMPSON WESTCOTT, LIFE OF JOHN FITCH (1878); ELLA MAY TURNER, JAMES RUMSEY: PIONEER IN STEAM NAVIGATION (1930). For a summary of the struggle see Edward C. Walterscheid, *Priority of Invention: How the United States Came to Have a "First-to-Invent" Patent System*, 23 AIPLA Q.J. 263, 269-80 (1996).

[33] Frank D. Prager, *The Steamboat Interference, 1787-1793*, 40 J. PAT. OFF. SOC'Y 611 (1958).

As the First Congress began its work, the remarkable struggle between Fitch and Rumsey for state patents was making abundantly clear that such patents were an ineffective mechanism for promoting the progress of useful arts, at least on a national level.[34] In February 1788 Noah Webster had pointed out the need for some national authority in this regard, saying:

> The authors of useful inventions are among the benefactors of the public and are entitled to some peculiar advantages for their ingenuity and labor. The productions of genius and the imagination are if possible more really and exclusively property than houses and land and are equally entitled to legal security. The want of some regulation for this purpose may be numbered among the defects of the American government.[35]

But what the First Congress under the recently ratified Constitution would do with regard to its newly granted authority remained to be seen.

III. FIRST SESSION, FIRST FEDERAL CONGRESS

Although the First Congress went into session on March 4, 1789, there was no certainty as to when and in what fashion it would seek to address the authority given to it under the Intellectual Property Clause. Nonetheless, almost immediately petitions were received from writers and inventors seeking exclusive rights from the Congress with respect to their writings and inventions.

---

[34] In trying to deal with the priority contest between Fitch and Rumsey, a committee of the Pennsylvania Assembly noted in a report dated March 10, 1789, that that state needed to have "a body better possessed than the legislature can be of the means of enquiring and examining into [the] originality and merits [of inventions]." *Id.* at 629-30 (footnote omitted).

[35] Prager, *supra* note 8, at 157 (citation omitted).

A. *The First Petitions*

The first two petitions were presented and read to the House of Representatives on April 15, 1789. One petition, from David Ramsay, stated that he was the author of two books pertaining to the Revolution and prayed "that a law may pass for securing to the petitioner, his heirs and assigns for a certain term of years, the sole and exclusive right of vending and disposing of the said books within the United States."[36] The other petition, from John Churchman, stated that he was the inventor of a method for determining longitude based on the magnetic variation at places of known latitude and prayed "that a law may pass for vesting in the petitioner, his heirs and assigns, an exclusive right of vending of spheres, hemispheres, maps, charts, and tables on his principles of magnetism."[37]

These two petitions immediately posed several issues for the Congress. Would it seek to enact individual private laws granting exclusive copyright and patent rights as the states had done, or would it instead enact a generic law under the authority of the Intellectual Property Clause?[38] If it decided on a generic law, would that law encompass both the rights of

---

[36] 3 DOCUMENTARY HISTORY, *supra* note 4, at 22.

[37] *Id.; see also Proceedings in Congress During the Years 1789 and 1790, Relating to the First Patent and Copyright Laws*, 22 J. PAT. OFF. SOC'Y 243-44 (1940)[hereinafter *Proceedings in Congress*]. There is no verbatim record of the proceedings of the first federal Congress under the Constitution, but these two sources are the most complete record now readily available of the activities of the First Congress acting under authority granted by the Intellectual Property Clause.

[38] Prager points out that a number of inventors expected Congress to pass private laws as the states had done to secure their exclusive rights in their discoveries. He goes on to state that "[t]he philosophy of the Constitution seemed to favor uniform securement of rights rather than granting of individual favors." Prager, *supra* note 11, at 320. In a more pragmatic vein, however, "[i]t was evident that neither Congress nor the inventors could be burdened with the tedious and uncertain action of a special act for each case, and a general act providing for patents for inventions would be necessary." *The Sesquicentennial of the First Patent Act*, 22 J. PAT. OFF. SOC'Y 239 (1940).

authors and inventors or would those rights be treated separately? On a more mundane, but very practical point, the Intellectual Property Clause said nothing about granting rights to the "heirs and assigns" of writers and inventors. How would this aspect of the petitions be treated?[39]

The House reacted as all legislative bodies do in novel circumstances; it appointed a committee to look into the matter.[40] Five days later the committee reported as follows:

> That the committee have conferred with Mr. Churchman, and find that he has made many calculations which tend to establish his position, that there are two magnetic points which give direction to the needle, that upon this doctrine he has endeavored to ascertain from a given latitude, and a given variation, what must be the longitude of the place; and having applied his principles to many instances in Cook's voyages, has found the result to correspond with considerable accuracy with the real facts, as far as they could be determined by the reckoning of the ship: That the object to which Mr. Churchman's labors are directed, is confessedly of very high importance, and his ideas on the subject appear to be ingenious: That with a view of applying them to practice, he has contrived a map and a globe, whereby to shew the angles which are made by the real and the magnetic meridians in different parts of the earth: That he is also engaged in constructing tables for determining the longitude at sea upon magnetic principles: That the committee are of opinion that such efforts deserve encouragement, and that a

---

[39] The Congress had, however, been granted power "to make all Laws which shall be necessary and proper for carrying into Execution" its enumerated powers. U.S. CONST. art. I, § 8, cl. 18. "Necessary and proper" reasonably seems to grant the flexibility to include "heirs and assigns" in the exclusive rights granted to writers and inventors.

[40] The committee consisted of Representatives Thomas Tudor Tucker of South Carolina, Alexander White of Virginia, and Benjamin Huntington of Connecticut. *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 22; *Proceedings in Congress*, *supra* note 37, at 244.

> law should pass to secure to Mr. Churchman, for a term of years, the exclusive pecuniary emolument to be derived from the publication of these several inventions. . . . On the subject of the petition of Doctor David Ramsay, your committee report it is their opinion, that a law should pass to secure to him the exclusive right of publishing and vending for a term of years, the two works mentioned in the petition.[41]

This committee report is interesting in several respects. First, the committee actually interviewed Churchman to get an understanding of what his invention was about. Second, no mention is made of any requirement for a specification. Third, the exclusive right is recommended to be for a term of years not specified. And finally there is no mention of "heirs and assigns."

There is another interesting aspect to the committee report. Churchman in his petition had also sought to "receive the patronage of Congress to enable him to perform a voyage to Baffin's Bay, for the purpose of making magnetical experiments."[42] The committee report stated that the committee was:

> cautious of recommending in the present deranged state of our finances, a precipitate adoption of a measure which would be attended with considerable expence; but they are of opinion that at a future day, if Mr. Churchman's principles should be found to succeed in practice, it would be proper to give further encouragement to his ingenuity.[43]

---

[41] 3 DOCUMENTARY HISTORY, *supra* note 4, at 28-29; *Proceedings in Congress*, *supra* note 37, at 244-45.

[42] 3 DOCUMENTARY HISTORY, *supra* note 4, at 22; *Proceedings in Congress*, *supra* note 37, at 244.

[43] 3 DOCUMENTARY HISTORY, *supra* note 4, at 29; *Proceedings in Congress*, *supra* note 37, at 245.

There was considerable debate on this clause of the report, and rather than being accepted, it was ordered "to lie on the table."[44] The reason for this action seems to have been a doubt expressed "whether the Legislature has power, by the Constitution, to go further in rewarding the inventors of useful machines, or discoveries in sciences, than merely to secure to them for a time the right of making, publishing, and vending them."[45] With the exception noted, the House agreed to the report, and then on motion it was ordered "that a bill or bills be brought in, making a general provision for securing to authors and inventors the exclusive right of their respective writings and discoveries."[46] Again a committee was appointed for this task.[47] This action was the first indication that the Congress intended to enact a general statute rather than individual private bills in granting exclusive rights to inventors. It was left to the committee's discretion whether the proposed general bill should encompass the rights of both authors and inventors or whether separate general bills should be prepared and introduced.[48]

On May 4, 1789, the House received a petition from Alexander Lewis, saying "that he hath discovered and constructed an easy and expeditious method of impelling boats of twenty-five tons burthen and under, through the water, against any current or stream, however rapid . . . and praying that an act may pass to secure to him, his heirs, &c. for the term of twenty-one

---

[44] 3 DOCUMENTARY HISTORY, *supra* note 4, at 29.

[45] Federico, *supra* note 8, at 240, (citing 1 ANNALS OF CONGRESS 180 (Joseph Gales ed., 1789)). In addition, a House Committee Report dated January 6, 1791, states that the issue of funding Churchman to go to Baffin Bay "involves an enquiry into the Constitutional powers of Congress," which the committee was not prepared to do. 4 DOCUMENTARY HISTORY, *supra* note 4, at 530-31.

[46] 3 DOCUMENTARY HISTORY, *supra* note 4, at 29.

[47] *See id.; Proceedings in Congress, supra* note 37, at 246. The members of the committee were Representatives Benjamin Huntington of Connecticut, Lambert Cadwalader of New Jersey, and Benjamin Contee of Maryland. Brief biographies are given in *id.* at 246 n.4.

[48] 3 DOCUMENTARY HISTORY, *supra* note 4, at 29.

years, an exclusive right of constructing boats upon his model, in the United States."[49] The petition was ordered "to lie on the table."

Two days later the House received a petition from Arthur Greer, saying "that he has invented a machine, which he conceives has reduced to a certainty the discovery of the true longitude or departure from any given meridian north of the equator and praying that an exclusive patent for his discovery may be granted him for the space of twenty-one years."[50] This is the first express reference to the granting of a patent. On May 7th this petition was ordered to lie upon the table and also referred to the committee set up on April 20th for its opinion concerning the matter thereof.[51] For some unknown reason the Lewis petition of May 4th was not referred to this committee.

On May 14th, the House was presented with the petition of Englehart Cruse "praying that an exclusive privilege may be granted to him for a term of years to construct and vend, within the United States, an improved steam engine, which he has invented, for raising of water for the purposes of manufactories, grist-mills, or the like."[52] The petition was referred to the aforementioned committee to report its opinion thereon to the House.

---

[49] *Id.* at 44; *Proceedings in Congress*, *supra* note 37, at 246-47.

[50] 3 DOCUMENTARY HISTORY, *supra* note 4, at 49; *Proceedings in Congress*, *supra* note 37, at 247.

[51] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 51; *Proceedings in Congress*, *supra* note 37, at 247.

[52] 3 DOCUMENTARY HISTORY, *supra* note 4, at 61; *Proceedings in Congress*, *supra* note 37, at 248.

B. *The Fitch Petition*

May 13, 1789, saw the House presented with John Fitch's petition, stating that:

> he is the original discoverer of the principle of applying the power of steam to the purposes of navigation, and has obtained an exclusive right therein, for a term of years, in the states of Virginia, Delaware, Pennsylvania, New-Jersey, and New-York, and praying that his rights may be secured to him by law, and in such manner, upon the true principles of priority of invention, as will preclude subsequent improvers upon his principle from participating therein until the expiration of the term of his exclusive grants.[53]

The petition was referred to the same committee with an order that it provide its opinion thereon and report the same to the House.[54]

The actual petition presented to the Congress has not been found; however, an earlier version dated April 2, 1789, exists.[55] Therein Fitch declares that he has discovered "that the Steam-Engine may be applied to the use of Navigation," and that he "verily believes he is the first person, not in the United States only, but in the World, that published a Scheme of this Nature."[56] He points out that there are various modes of practice of the invention and sets forth four specific examples "of applying the force of the Steam-engine," i.e., jet propulsion from the stern using either water or air as

---

[53] 3 DOCUMENTARY HISTORY, *supra* note 4, at 59-60; *Proceedings in Congress*, *supra* note 37, at 248. There are slight variations between these two reports, with the word "true" missing from the *Journal's* version and "rights" rendered as "right."

[54] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 60.

[55] *See* 4 DOCUMENTARY HISTORY, *supra* note 4, at 512-13.

[56] *Id.* at 512.

the jet or oars or paddle wheels.[57] Most importantly, however, he argues that his invention "consists in applying the force of Steam, and, *not in which of these modes it is applied* . . . ."[58] He further states:

> [the] House will undoubtedly perceive that the Question of the Experiment, was, *Whether or not Steam could be usefully applied to Navigation?* and not, *What Mode would best answer the purpose?* because, in the latter Case, the person who should, by great Labor and Expense, fully prove the utility of the plan, by making the Experiment *in any one mode*, for he could not try more than one at once, would secure to himself no Advantage in the Discovery, because a Dozen Persons, or more, might, by varying the mode of applying the power, demand at a future Day a participation of the Emoluments or Advantages of a Discovery, which he, through great Difficulties and Expense, had brought into valuable existence . . . .[59]

Although Fitch clearly perceived himself to be the first inventor in the sense that he was the first to publicly disclose in the United States the "principle of applying the power of steam to the purposes of navigation," he had acknowledged in a pamphlet published two years earlier that he had not been first to propose the use of steam propulsion.[60] What the relevance of his state patents was or would be to the grant of a federal exclusive right was unclear, but it certainly did not hurt to bring the existence of his state patents to the attention of the Congress.[61]

---

[57] *Id.*

[58] *Id.*

[59] *Id.* at 513.

[60] John Fitch, The Original Steamboat Supported (1787), *in* E.B. O'CALLAGHAN, 2 THE DOCUMENTARY HISTORY OF NEW YORK 603, 606 (1849).

[61] In a petition to the Senate dated March 13, 1790, Fitch would make much more clear his concern that a federal patent law might invalidate his state patents. *See infra* text accompanying notes 241-43.

Of more significance, however, was the fact that he was asking to be secured by law in his rights "in such a manner, upon the true principles of priority of invention, as will preclude subsequent improvers upon his principle from participating therein until the expiration of the term of his exclusive grants."[62] It is not entirely clear what he meant by "grants." It is conceivable that he was asking the Congress in essence to enforce his state grants through a federal law. In any case, he was now presenting a straightforward argument for a federal grant that would act to dominate any rights of improvers such as Rumsey. He, like Rumsey, had learned in their epic struggle, and he was no longer contending that he should have the right to use any improvement made upon his broad "principle,"[63] but instead that he should have the right to effectively preclude those making improvements from using his principle until the term of his grant had expired.[64] In essence, he seems to have been seeking the right to enjoin others from practicing his invention, even if their improvement inventions were patentable in their own right. Alternatively, he may have been going a step further and contending that there should be no such thing as steamship improvement patents until such time as the term of his patent had expired.

C. *The First Patent Bill [H.R. 10]*

On June 23, 1789, the committee appointed on April 20th presented for a first reading "a bill to promote the progress of science and the useful arts, by securing to authors and inventors the exclusive right to their respective writings and discoveries."[65] It was designated H.R. 10, contained eleven printed pages, and was directed primarily to patents.[66] No copy

---

[62] 3 DOCUMENTARY HISTORY, *supra* note 4, at 59-60.

[63] Fitch had argued in Pennsylvania that not only should his patent dominate, but that it should grant an actual right to practice all subsequent improvement patents, no matter who the inventor was. *See* Prayer, *supra* note 32, at 512.

[64] 3 DOCUMENTARY HISTORY, *supra* note 4, at 59-60 (footnote omitted).

[65] 3 DOCUMENTARY HISTORY, *supra* note 4, at 94; *Proceedings in Congress, supra* note 37, at 249.

[66] *Proceedings in Congress, supra* note 37, at 249 n.11.

specifically identified as H.R. 10 has been found, and what is known about it comes from indirect sources. It is highly unlikely that the committee that reported this bill actually wrote it,[67] and its true authorship is unknown.[68] The assertion has been made that it was based in no small measure on a "federal copyright bill" drafted by Noah Webster on April 16 and 17, 1789, but which in reality was a combined patent and copyright bill.[69] This assertion assumes that Webster communicated his draft bill to the Congress and specifically to the three Representatives charged with drafting a general bill conforming to the authority granted in the Intellectual Property Clause. These events may indeed have occurred; however, there is no direct evidence to support this theory.

Although no copy of the bill supposedly drafted by Webster has been found, a citation to material from it is known, and there is good reason to believe that an informal copy exists. Fitch again enters the picture. By letter dated June 18, 1789, a friend informed him that Congress had decided not to act on individual petitions from inventors but would instead enact a general patent statute.[70] He thereafter inquired of a senator whom he knew

---

[67] *See infra* note 97.

[68] Inlow's statement "[t]hat it is probable that this bill was drafted by Jefferson" is based on an egregious misreading of the source cited: 6 THE WRITINGS OF THOMAS JEFFERSON 189 (Paul Leicester Ford ed., 1895). *See* E. BURKE INLOW, THE PATENT GRANT 48 (1950). This citation is to a patent bill drafted by Jefferson which appears to have been introduced on February 7, 1791, almost 10 months after the Patent Act of 1790 had become law. In short, Inlow confuses the first bill proposed for what became the Patent Act of 1793 with the first bill proposed for what would become the Patent Act of 1790.

[69] *See* Prager, *supra* note 8, at 157-61; Prager, *supra* note 11, at 320; A. H. Seidel, *The Constitution and a Standard of Patentability*, 48 J. PAT. OFF. SOC'Y 1, 25 (1966). The only basis for the assertion are entries on this subject in Webster's diary on these dates. However, Webster's own account of his efforts on behalf of copyright legislation makes no reference to any such draft. *See* NOAH WEBSTER, A COLLECTION OF PAPERS ON POLITICAL, LITERARY AND MORAL SUBJECTS 173-78 (Burt Franklin ed., 1968).

[70] *See* Prager, *supra* note 8, at 161-62 (citation omitted).

slightly "who the committee are who are appointed to form a general system of exclusive rights."[71] Perhaps in response to this inquiry, Fitch seems to have obtained a copy of the proposed bill, for he quoted from what he called the "proposed law of Congress" in a brief he filed with the Pennsylvania Assembly on September 11, 1789, as a part of his continuing priority contest with Rumsey.[72]

The language quoted by Fitch is:

> And, if, upon such specification, the inventions or discoveries aforesaid, claimed by two or more parties, shall appear to be substantially the same, both in principle and execution, then the said _____ shall enquire into the priority of said inventions or discoveries, and if either of the said parties shall so request, they shall, issue their precept to the sheriff of _____ directed, commanding him to cause to come before them twelve good and lawful men of _____ who shall be indifferent and unconnected with the parties or either of them, as well as the subject matter in dispute, in which for the determination thereof, they shall have no immediate interest, and upon oath or affirmation of the said twelve men, shall enquire which of the said parties claiming the said inventions or discoveries, was the first and true inventor or discoverer thereof, and shall take their verdict and certify the same, together with the names of the jurors; and the said petition or petitions, and the specifications to the said _____, who (is or are) hereby required to cause a patent to him or them who shall be so found to be the first

---

[71] *Id.* at 162 (citation omitted).

[72] Prager states that "[i]t is not entirely clear whether Fitch's quotation stems from the original House Bill 10 or from a draft of the later House Bill 41," which became the Patent Act of 1790. *Id.* at 163. It is highly unlikely that a draft of H.R. 41 even existed in September 1789 for the Congress did not decide to defer action on H.R. 10 into its second session until August 17, 1789, and the second session did not commence until January 4, 1790. Even then the bill initially under discussion was still presumably H.R. 10. *See infra* text accompanying notes 141-59.

> true inventor or inventors, discoverer or discoverers, to be made out, proceeded upon and perfected in manner aforesaid.[73]

Fitch's likely purpose in quoting this language was to seek to have Pennsylvania submit the issue of priority to a jury if it determined to conduct an interference proceeding between him and Rumsey.[74] But whatever his reason was, he provided at least indirect proof that the first patent bill envisaged priority contests between inventors, and that such contests would not be determined by the first to file but rather by a judicial determination as to who was the "first and true inventor."

Clearly, whatever the first United States patent statute might ultimately contain, the Congress was already contemplating practice that would not adhere slavishly to its English antecedents, although the exact nature of those antecedents with respect to determining priority of invention was still decidedly murky.[75] As will be seen this first bill proposed a registration system closely akin to that in use in Great Britain, and it would have been quite easy to avoid priority determinations entirely by simply stating that in the event of a priority challenge, the first to file would be presumed to be the first inventor. This was the tack that Great Britain ultimately would take, and the United States would be alone among the major industrialized countries to adopt a first-to-invent system.

Why then did this first bill propose a mechanism for determining the first and true inventor? It may have come about precisely because the

---

[73] Prager, *supra* note 8, at 162-63.

[74] The issue did not arise in view of the manner in which Pennsylvania resolved the matter.

[75] It was simply not clear at this time whether the law officers in England were making priority determinations or were permitting the first to file to obtain a patent even though priority might be contested, as, for example through the caveat process. MacLeod points to one example in 1723 where the law officers in fact decided a priority dispute. *See* CHRISTINE MACLEOD, INVENTING THE INDUSTRIAL REVOLUTION: THE ENGLISH PATENT SYSTEM, 1660-1800, at 46 (1988).

English practice in this regard was unclear. More likely, however, Fitch had pressed for it and obtained it. If so, he was responsible for what has constituted perhaps the major distinction between the United States patent system and those of most other countries for the last two centuries.

In a letter written on January 21, 1790, early in the second session of the First Congress, House Speaker Muhlenberg informed Assistant Secretary of the Treasury Tench Coxe that no copies of this first bill remained in the clerk's office.[76] This suggests that there was strong interest in the bill and that the available printed copies had been distributed to various interested parties. Fitch was clearly such an individual. Because of this interest and the distribution of the bill that apparently occurred, it reasonably can be hoped that at least one copy of H.R. 10, clearly identified as such, has survived. If so, however, it has yet to come to light.

D. *Library Of Congress Typescript*

Nonetheless, an unidentified typescript of a combined copyright and patent bill unearthed at the Library of Congress in 1955 is now considered to be H.R. 10, because H.R. 10 is the only known combined bill attempted by the Congress.[77] This typescript of the bill has now been published.[78] The bill

---

[76] *See* 4 DOCUMENTARY HISTORY, *supra* note 4, at 519 n.__ (no note number in original). There were two reasons for Coxe's interest in the bill. The first was that he was then preparing the first draft of what would ultimately become Alexander Hamilton's *Report on the Subject of Manufactures* transmitted to the Congress in December 1791. *See* 10 THE PAPERS OF ALEXANDER HAMILTON 10-12 (H. C. Syrett ed., 1966)(footnote omitted). He was also actively seeking to obtain a patent of importation for certain of Richard Arkwright's spinning machinery and was seeking to assure that such patents would be permitted in the new patent law. *See infra* note 222.

[77] 14 LIB. CONG. INFO. BULL., No. 30, at 13 (July 25, 1955). The background of this discovery is set forth as follows:

> In 1955, Wilma Davis, copyright office librarian, discovered a damaged typescript of the bill, bound in an old letterpress book, belonging to the [Library of Congress]. She believed that [Thorvald Solberg, U.S.

is divided into eight sections, with the first two directed to copyrights and the remaining six to patents. In the typescript as found at the Library of Congress the sections are unnumbered. The patent portion of the bill envisages a registration system similar to Great Britain's, but in certain major aspects it differs substantially from the English practice.

1. Patentability And Publication

The first portion of the third section, which is the first patent section, reads:

> *And be it further enacted*, That upon the petition of any person or persons to _____ setting forth that he, she, or they, hath or have invented or discovered any new art, manufacture, engine, machine, invention or device, or any

---

registrar of copyrights from 1897 to 1930] made the typescript from the 1789 imprint, which he may have owned prior to the fire which destroyed his home library at Glen Echo, Maryland, on December 6, 1918. Her office made a new typescript, which was proofread against the first. She placed the letterpress book in a Library of Congress safe, but in 1968 the book was not there when she sought it.

4 DOCUMENTARY HISTORY, *supra* note 4, at 519 n.__ (no note number in original).

Thus what now exists is literally a copy of a copy of the original.

[78] *See* 4 DOCUMENTARY HISTORY, *supra* note 4, at 513-19. The material in pointed brackets, i.e., {}, in this reproduction is not found in the typescript but is taken from the subsequent H.R. 41. *See id.* at 519 n.__ (no note number in original). Note that the title to this bill varies from that of H.R. 10 in that "discoveries" is replaced with "inventions." The reason for this is unknown and may have been a transcription error when the copy was made. Despite this difference in titles, there is every reason to believe that this copy is in fact H.R. 10. The fact that Fitch's excerpt from "a proposed law of Congress" tracks verbatim the language of section 5 of this bill is further evidence that it is indeed a copy of H.R. 10. *See supra* text accompanying note 73.

> improvement upon, or in some art, manufacture, engine, machine, invention or device, not before known or used, it shall and may be lawful for the said _____ to direct an advertisement to be inserted, at the costs and charges of the petitioner in some two of the public papers _____ for the term of ____weeks, one at least in each week, giving notice of such application, and containing a short and general definition of the invention or discovery, requiring all persons concerned to appear before the said _____ at a certain day and place in the said advertisement to be inserted, not less than ____days, nor more than ____days next following, to shew cause why letters patent under the great seal of the United States, should not issue, granting to such petitioner or petitioners the sole and exclusive right, liberty and privilege, of making, constructing, using and vending to others, the inventions, discoveries, or improvements aforesaid.[79]

This language evidences not only a rather clear knowledge of the English patent practice, but also of some of the problems associated with that practice. It appears to be an obvious attempt to deal legislatively with issues that were beginning to be addressed by the English courts.

For example, at the very time that it was drafted, the English courts were only just coming to grips with what was meant by the term "manufactures" as used in the Statute of Monopolies and whether improvement inventions were patentable.[80] In this regard, the typescript states unequivocally that improvement inventions are patentable and expands the definition of invention or discovery beyond simply "manufacture."[81] It does not address whether a method is to be considered patentable, but the term "art" as used therein easily could be interpreted to

---

[79] 4 DOCUMENTARY HISTORY, *supra* note 4, at 515 (emphasis in original). Prager reproduces this portion of section 3 with slight variations. *See* Prager, *supra* note 11, at 321-22.

[80] *See* Waltersheid, *supra* note 21, at 852-57.

[81] *See* 4 DOCUMENTARY HISTORY, *supra* note 4, at 515.

include methods. By saying that improvements are patentable, the typescript adopts the recent common law determination in this regard.[82] In so doing, however, it fails to address specifically the issue of whether there can be dominant and subservient patents, and thus fails to resolve or even clarify one of the issues faced by the various state legislatures in the priority dispute between Fitch and Rumsey, which Fitch raised by implication in his petition presented to the House on May 13, 1789.[83]

This language also seeks to address the meaning to be given to novelty in the context of invention or discovery. Under the Statute of Monopolies the phrase "first and true inventor" referred not only to one who invented in the modern sense but also to one who imported into England a manufacture not in use there within living memory.[84] As a result of the decision in *Liardet v. Johnson*,[85] however, lack of novelty could be shown by prior publication as well as by prior working. Probably without any actual knowledge of *Liardet v. Johnson* but with some fairly clear notion that British courts were beginning to consider prior publication as a bar to patentability, the drafter of this language sought to indicate expressly that in order to be

---

[82] Morris v. Bramson, 1 ABBOTT'S P.C., *supra* note 20, at 21 (K.B. 1776).

[83] *See supra* text accompanying notes 53-64. While it would be tempting to read this language as suggesting that there can be dominant and subservient patents, the Congress would not address that issue until the Patent Act of 1793 and then only in an oblique or indirect sense.

[84] In Edgeberry v. Stephens, 91 Eng. Rep. 387 (K.B. 1691), the court held that the exception granted in favor of patents of invention by the Statute of Monopolies encompasses the first importer into the land as well as the first inventor, i.e., the first importer is deemed to be the first inventor under the statute.

[85] 1 ABBOTT'S P.C., *supra* note 20, at 22 (K.B. 1778). *Liardet* was early on in England confused with a case known merely as *"The Case of the Trusses,"* also decided by Lord Mansfield. It is possible but unlikely that the details of *Liardet* were known in the United States at the time this language was drafted. It is more probable that the views of the English judges such as Lord Mansfield on issues of patentability were transmitted to the United States through interactions between English and American lawyers.

patentable, an invention or discovery must be "not before known or used."[86] Thus, the intent was to state explicitly that both prior publication and prior use could preclude patentable novelty.

The phrase also could be interpreted as limiting in two other respects. First, it seems clearly to suggest that if the subject matter of the invention ever had been used before in the United States, it would not be patentable, even if it had long since fallen into disuse.[87] The critical distinction is that this phrase "not before known or used" does not contain the limitation "in the United States." It therefore could readily be interpreted as barring patents of importation, i.e., patents issued for inventions or discoveries not known or used in the United States but known or used elsewhere. If this result was what was intended, then it was a substantial and significant departure from the English practice. It was not readily apparent that it would inure to the benefit of the development of manufacturing in the United States.[88] As will be seen shortly, Washington in his first annual address to the Congress did not contemplate such a restriction.[89]

Whether by incorporating the phrase "not before known or used" in this first patent bill the Congress actually intended to preclude patents of importation is not revealed in any of the very limited published debates on it or on H.R. 41, the bill that actually became the first patent statute. As will be seen, however, specific amendments to H.R. 41 clearly suggest that this situation was in fact the case.[90] Thus, it could reasonably be interpreted as being so intended, and this was in fact the interpretation adopted by the courts.

---

[86] 4 DOCUMENTARY HISTORY, *supra* note 4, at 515.

[87] An immediate question that comes to mind is whether the language is to be taken literally or if it is to be limited to public knowledge or use?

[88] This was at a time when a recognition of the need to import English and other foreign technology was becoming more and more apparent.

[89] *See infra* text accompanying notes 134-37.

[90] *See infra* text accompanying notes 201-07 and 264-66.

2. *Proposing A Registration System*

The remainder of section 3 read as follows:

> And if at the day and place {so to be appointed}, sufficient cause shall not be shewn to the contrary, it shall {and may be} lawful to and for the said _____ and _____ hereby required to cause letters patent to be made out in the name of the United States to bear tested by _____ reciting the allegations and suggestions in the said petition contained, and thereupon granting to such petitioner or petitioners, his, her, or their executors, administrators or assigns, for the term of ____ years, the sole and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said invention or inventions, discovery or discoveries, so to be described in short and general terms; which letters patent shall be delivered to _____ to be examined, who shall, within ____ days next after the delivery to him, certify at the foot thereof, that he hath examined the same, and whether it is conformable to this act, and shall return the same to the _____ and if the same shall be so certified to be conformable to this act,[91] then the said _____ shall sign the same, and cause the great seal of the United States to be thereto affixed, and the said letters to be made patent, and the same shall be good and available to the grantee or grantees by force of this act, to all and every intent and purpose herein contained.[92]

ection 3 clearly is intended to create a registration rather than an examination system, and in addition one that is modeled rather closely after ıe English system. It thus provides for an American version of a caveat

---

[91] The typescript here repeats the phrase "and shall return . . . to this act." 4 DOCUMENTARY HISTORY, *supra* note 4, at 516. Whether this inadvertent double phrase occurred in the original H.R. 10 or was introduced when the copy was made is unknown.

[92] 4 DOCUMENTARY HISTORY, *supra* note 4, at 515-16.

notice,[93] and requires the equivalent of a law officer review to assure that the requisite formalities have been met.[94]

A major inherent defect in the section 3 caveat notice process resided in the manner of notification that an application for patent had been filed. The United States was an enormous place and publication of advertisements in Philadelphia newspapers, or even those in New York and Boston, would not give adequate notice across the country of the existence of the particular patent application. An obvious alternative was the English approach wherein those interested in certain classifications of invention paid a fee to be notified when a patent application involving a classification of interest to them was filed. It can only be surmised that the republican tenor of the country was perceived as arguing against any such approach, with advertising considered to be a fairer and more neutral method of making the patent application known to the general public to the extent reasonably possible.[95]

---

[93] For the English caveat practice, see ALLAN A. GOMME, PATENTS OF INVENTION, ORIGIN AND GROWTH OF THE PATENT SYSTEM IN BRITAIN 22-23 (1946).

[94] In the English practice the law officers played a critical role in determining whether a patent would be granted and the terms and conditions that would be placed therein. *See id.* at 20-22. MacLeod states that "[m]odifications to the patent system in the century after 1660 were all introduced by the law officers." MACLEOD, *supra* note 75, at 48.

[95] That this was the case is evidenced by the Senate committee report on H.R. 41 (the successor patent bill to H.R. 10), dated March 29, 1790, which, while noting that the approach is incompatible with the English practice, states:

> The Disclosure of the Secret being no obstacle in obtaining a Patent by the true Inventor, a Public Advertisement containing a general Definition of the Invention is required by the first Section of the Bill; this Regulation may be very necessary in so extensive a Country as the United States. An Invention of great Utility & in Common use in Massachusetts, may be unknown in Pennsylvania or Virginia — it may come to the knowledge of a single Person in one of the latter States who ignorant of its notoriety to the Eastward

3. The Specification

Section 4 of the bill closely tracks recent English practice. Thus, it equires:

> [t]hat the grantee or grantees of each patent shall within one calendar month, next after the sealing and delivery to him or them of each patent, deliver to the _____ a specification in writing, containing a perfect and exact description, accompanied with drafts and explanations (if the subject matter of such inventions and discoveries shall require the same in order to be understood) of the thing or things by him or them invented or discovered, and generally described as aforesaid in the said patents; which specifications shall be so particular as not only to distinguish the invention from other things before known, but also to enable a workman or other person skilled in the art, science or manufacture whereof it is a branch, or wherewith it may be nearest connected, to make, construct, or use the same, to the end that the public may have full benefit thereof after the expiration of the patent term; which specification shall be filed in the office of the said _____ and certified copies thereof shall be competent evidence in all courts, and before all jurisdictions, where any manner or thing touching or concerning such patent, right or privilege shall come in question.[96]

> might apply & [sic] obtain a Patent for it, disturb the Persons who had long used it & in the end involve himself in loss & disappointment. The Advertisement therefore appears to be an useful Part of the Plan and will probably prevent many improvident Grants.

Proceedings in Congress, supra note 37, at 363-64.

[96] 4 DOCUMENTARY HISTORY, *supra* note 4, at 516; *see also* Prager, *supra* note 11, at 322.

Whoever drafted this language[97] was remarkably prescient, for the requirements of a specification set forth therein exist in the United States patent law to this day.[98] He also seems to have had full knowledge of the most current thinking of the English courts with respect to the role of the specification. Insofar as can be determined, this language was the first clear delineation in the United States of the role of the specification in its modern sense.[99]

4. Oppositions And Interferences

If there is to be a method of noticing caveats as set forth in section 3 of the bill, then there must also presumably be some mechanism for hearing and determining caveats. Section 5 takes on that task, but it is unfortunately the worst-drafted portion of the bill. It begins with the predicate set forth in section 4 of ascertaining whether the invention in question is novel, and then quickly shifts to the interference arena, i.e., the question of priority of invention, which is not the same thing at all. The shift is so abrupt, and has such little antecedent, that there is an inevitable question as to whether it

---

[97] The author is unknown but may have been Webster. *See supra* text accompanying note 68. There is nothing known about the three Congressmen on the committee that drafted the bill that would in any way suggest that they had sufficient experience or knowledge of patent practice, in England or elsewhere, to draft the extraordinary content of this clause.

[98] *See* 35 U.S.C. §§ 112, 113 (1994). The only major distinction is a procedural one. In modern practice, the specification is required to be a part of the letters patent as issued whereas here the presentation of a specification could be delayed for up to one month. Nonetheless it was a significant tightening up of the then-current British practice, whereby a specification was typically required within three to six months, although on rare occasions the law officers might demand a shorter period. *See* Waltersheid, *supra* note 21, at 787 n.66.

[99] Fitch had recently argued for the merits of publicly disclosing the invention, but had said nothing specifically in the context of enabling disclosure or the public good to be derived from an enabling disclosure in a specification on the expiration of the term of the patent. *See* Fitch, *supra* note 60, at 619.

epresents the actual content of H.R. 10 or, if it does, whether it is a complete ersion thereof.

With this situation in mind, consider the first portion of section 5:

> That if upon the notice, so as aforesaid given, any other person or persons shall appear before the said _____ and shall shew cause as to _____ shall appear reasonable, why letters patent, in manner aforesaid, should not issue to the party petitioning for the same, then and in such case the said _____ shall refer the petition aforesaid, and the parties contending, to the chief justice, and one other justice of the supreme court, who or any two of th{em are hereby authorised and required} to hear the same; and if upon a hearing of the said partie{s it shall app}ear to them that the thing or things for which a patent is prayed wa{s or we}re, before the application to the said _____ used by or known to others than the petitioners, or those who derived their knowledge thereof from or under him or them, they shall certify the same accordingly, and such certificate shall be deemed a sufficient cause to stay the issuing of such letters patent.[100]

he apparent intent of this portion of section 5 is to allow for a caveat roceeding along the lines of that which had been established in England, ut transferring the responsibility for it from the executive to the judiciary. t does so, however, in a confusing and nonproductive way.

In accordance with this language, when the administrative office esponsible for handling the details of the patenting process decides that a etition opposing the issuance of a patent for lack of novelty has merit, it ust refer the matter to two justices of the Supreme Court, one of whom

[100] 4 DOCUMENTARY HISTORY, *supra* note 4, at 516.

must be the Chief Justice.[101] So far, so good, but here is where the draftsmanship gets both confusing and complicated. What then does "who or any two of them" mean? It seems to suggest that the Chief Justice alone can decide the issue, or alternatively that any two members of the Supreme Court can do so; however, this interpretation is inconsistent with the earlier requirement that the issue be referred "to the chief justice, and one other justice." Moreover, it overlooks the most obvious rule in dispute resolution, i.e., never have a mechanism whereby an even number of persons decides the issue, because even numbers not infrequently split equally; thus, no resolution occurs. This situation is most often the case when the number to decide the issue is two.

Despite the confusion as to which justices, and how many, are to decide the question of whether the issuance of a patent should be stayed in a caveat proceeding, it is clear that novelty, i.e., whether the invention was "used by or known to others" before its invention by the applicant for patent, is one of the matters that they may properly look into. The insertion of the phrase "or those who derived their knowledge thereof from or under him or them [i.e., the petitioner(s) for patent]" represents an attempt to remedy a clearly perceived inequity in the English practice whereby those who derived knowledge of an invention from the inventor could through the caveat system preclude the issuance of a patent to him or her.[102] In the modern sense, this constitutes a legislative determination that such derived knowledge cannot constitute prior art sufficient to defeat the issuance of the patent.

It is the abrupt shift to interference issues involving priority of invention in the next portion of section 5 that is the most confusing and renders initially suspect whether the Library of Congress typescript is in fact a complete version of H.R. 10. Thus, section 5 continues as follows:

---

[101] The draft bill carefully refrains from stating what the administrative office might be or in what branch of government it might be located, but under the checks and balances system of the Constitution it already was apparent that it would have to fall within the executive branch.

[102] *See infra* the discussion accompanying notes 264-66.

> And the said _____ shall require each and every one of them to deliver to them such specification of their several inventions or discoveries, as are herein above mentioned, signed with their hands; and upon comparing the same the said justices shall determine and adjudge whether they are the same, both in principle and execution, or whether they differ from each other in any material circumstance; and if they be found so to differ, the said _____ certify each of them severally with their specifications to the said _____ to the end that such patents as aforesaid may issue, and the said _____ hereby required to cause such patents to be made out, proceeded upon and perfected in the manner herein before mentioned, to each and every of the said parties. [The content of the next language is identical to that referred to by Fitch and earlier cited in the text.[103]], and the proceedings before the said _____ shall be had according to the course of _____ and the costs thereof shall be paid by him or them against whom the verdict shall be found, and execution shall be awarded and issued under the hand and seal of _____ for the recovery thereof as in the court in other cases is accustomed for the recovery of costs.[104]

On its face this language presupposes that the issue in the caveat proceeding s priority of invention, but there is no clear antecedent basis for it.[105] Indeed, t is the total lack of antecedent for the phrase "as are herein above

---

[103] *See supra* text accompanying note 73.

[104] 4 DOCUMENTARY HISTORY, *supra* note 4, at 516-17.

[105] The reference to "their several inventions or discoveries, as are herein above mentioned" is without foundation. The only earlier language that might have any relevance is "that the thing or things for which a patent is prayed was or were . . . used by or known by others" before the application for patent. While this language can encompass prior invention by another who is now claiming priority, it also can read on any prior work or knowledge for which no invention or priority is claimed. The intent clearly is not to limit its scope to a priority contest.

mentioned" that raises the question of whether the Library of Congress typescript is a true copy of H.R. 10 or whether there may be something missing. Alternatively, the lack of antecedent may have been merely an artifact of the terribly poor draftsmanship in section 5 that has previously been commented upon.[106] That the latter situation is in reality the case is evidenced by the use of this same language in the patent bill (H.R. 41) actually concurred in by the House.

The most interesting aspect of this portion of section 5 is that once an interference is declared it permits either party to seek to have the issue of priority resolved by a jury. Fitch strongly favored this result.[107] It would not, however, survive into the Patent Act of 1790.

5. Enforcement And Costs

The remaining sections of the bill deal with enforcement and costs. Section 6 provides that an infringer shall pay the patentee the full value of the infringing articles as well as an additional sum (not set forth). It also states that within one year of the issuance of a patent it may be voided if shown to have been "obtained surreptiously by, or upon false suggestions."[108] Section 6 makes clear, however, that any person seeking to have a patent voided does so at their peril, because "if the party at whose complaint the process issued shall have judgment given against him, he shall pay all such costs as the defendant shall be put to in defending the suit."[109] Patentees can only wish that such were the case today.

Section 7 declares that:

---

[106] *See supra* text accompanying notes 99-102.

[107] Indeed, in March 1790 he would petition the Senate to have it expressly included in the Patent Act after the House had removed it from the pending patent bill. *See infra* text accompanying notes 236-39.

[108] 4 DOCUMENTARY HISTORY, *supra* note 4, at 518.

[109] *Id.* at 517-18.

> in all actions to be brought by such patentee . . . the said patents . . . shall be prima facia evidence that the said patentee or patentees, was or were the first and true inventor or inventors, discoverer or discoverers of the thing so specified, and that the same is truly specified; but that nevertheless the defendant or defendants may plead the general issue, and give this act, and any special matter . . . in evidence, tending to prove that the specification filed by the plaintiff . . . does not contain the whole of the truth concerning his invention or discovery; or that it contains more than is necessary to produce the effect described; and if the conce{alment of part,} or the addition of more than is necessary, shall appear to have been {intended} to mislead, or shall actually mislead the public, so as that the effect described cannot be produced by the means specified, then, and in such cases, the verdict and judgment shall be for the defendant, any thing in this act contained to the contrary notwithstanding.[110]

In other words, the patent is presumed to be valid, with the burden of proof of showing otherwise or that it was not infringed placed upon the defendant. The phrase "first and true inventor," as set forth here and earlier in the bill, is oddly reminiscent of the language of the Statute of Monopolies, and quite likely was derived therefrom.

This section provides strong evidence that the drafter of H.R. 10 was fully cognizant of the latest English decisions relating to patents. In particular, the declaration that if the specification contains too little or too much information or is otherwise such as to mislead "so that the effect described cannot be produced by the means specified," judgment shall be for

---

[110] 4 DOCUMENTARY HISTORY, *supra* note 4, at 518-19 (bracketed text in original); *see also* Prager, *supra* note 11, at 323.

the defendant, suggests full knowledge of the views expressed by the English courts in *Turner v. Winter*[111] (1787) and *Rex v. Arkwright* (1785).[112]

Finally, section 8 sets forth a schedule of costs and fees to be paid in order for a patent to be obtained.[113] The schedule covers a rather wide variety of individuals involved under the proposed act. In some respects, this schedule is reminiscent of the then extant English practice wherein the costs of all the clerks and offices involved was borne by the petitioner for patent.[114]

E. *Failure To Act On H.R. 10*

On June 24, 1789, H.R. 10 was read for a second time and "ordered to be committed to a committee of the whole House on Monday se'enight."[115] However, on July 6th the House deferred action "until tomorrow."[116] The postponement was repeated from day to day until August 17th when the House decided to postpone action "until the next session of Congress."[117] The reason for delaying into the second session was later stated to be "the multiplicity of other important business."[118]

---

[111] 99 Eng. Rep. 1274 (K.B. 1787).

[112] 1 Abbott's P.C., *supra* note 20, at 29 (K.B. 1785).

[113] *See* 4 DOCUMENTARY HISTORY, *supra* note 4, at 519.

[114] *See* MACLEOD, *supra* note 75, at 40-41; DUTTON, *supra* note 20, at 35.

[115] 3 DOCUMENTARY HISTORY, *supra* note 4, at 94; *Proceedings in Congress, supra* note 37, at 249.

[116] 3 DOCUMENTARY HISTORY, *supra* note 4, at 489.

[117] *Id.* at 150; *Proceedings in Congress, supra* note 37, at 250, 252.

[118] *Proceedings in Congress, supra* note 37, at 257.

F. *Examination Proposed By Rumsey*

Although it had no influence on the content of H.R. 10, reference should be made at this point to a letter written to Thomas Jefferson by Rumsey on June 6, 1789.[119] Therein Rumsey notes that he has heard that a "Committee of Congress [has been] appointed to bring in a bill Establishing an office for granting Exclusive Wrights to inventors etc."[120] He states that "[t]his is a business that is at present upon a bad footing, in any part of the world," and then goes on to express the following views concerning the patent grant:

> [s]uch machines as are already in use (and their principles not under any restrictions by patents) then Every person Improving on Such machines ought to have a grant for Such improvement and no more, but Where the principle, [sic] itself is new I humbly Conceive that it ought to be Secured to the inventor for a Limited time, otherwise but few persons will Spend their money and time in making new discoveries, knowing that the first person that Varies the form of his invention will be intitled [sic] to receive Equal advantages from it with himself. The french [sic] method of haveing [sic] new inventions Examined by a Committee of philosophical Characters, before a grant Can be obtained, is Certainly a good one as it has a tendency to prevent many Simple projectors from ruining themselves by the too long persuit [sic] of projects that they know little about.[121]

---

[119] TURNER, *supra* note 32, at 165-67.

[120] Rumsey wrote from England. Considering the slow methods of communication then available, it is remarkable how knowledgeable both Rumsey and Fitch were with respect to the actions of the Congress.

[121] TURNER, *supra* note 32, at 166.

Rumsey clearly agreed with Fitch that a person who invents a new "principle" should have a broad dominant patent.[122] Neither he nor Fitch, however, had yet come to grips with the concept that even where a broad dominant patent existed, improvement patents should be permitted. Both men believed that a broad dominant patent precluded improvement patents.

Insofar as can be ascertained, the views expressed by Rumsey are the first known suggestion by an American citizen that an examination system should be considered as a part of the United States patent law. How Rumsey came to be aware of the French practice is unknown, although the contention has been presented that he learned of it from Benjamin Franklin who had served as Minister to France during the war years. It is not known whether Jefferson or Rumsey for that matter actually communicated these views on examination to the Congress, but someone suggested the merits of examination for the patent system set forth in the Patent Act of 1790.

G. *More Petitions*

The fact that the Congress was considering a general patent bill did not preclude inventors from continuing to petition for or with regard to exclusive rights with respect to their own inventions. Thus, during the remainder of its first session the Congress received the following additional petitions for exclusive privileges, all of which were tabled: June 25, from Samuel Briggs, "to construct and vend a machine which he has invented for making nails by mill-work;"[123] July 16, from John Stoebel, "to construct and navigate boats with wheels, upon the principles of a model which he has invented to facilitate the passage of boats up and down streams and rapids without the use of oars;"[124] July 17, from Leonard Harbaugh, "to make, use and vend three machines which he has invented for threshing, reaping, and deepening docks, and which are calculated to facilitate labor, and aid the

---

[122] *See supra* text accompanying notes 55-63.

[123] 3 DOCUMENTARY HISTORY, *supra* note 4, at 97.

[124] *Id.* at 112.

wo great objects of agriculture and commerce;"[125] August 4, from hristopher Colles, "in the benefits of an invention which he has reduced to ractice, for counting with the utmost precision, the number of revolutions r vibrations of any wheel or other part of any mechanical engine or iachine;"[126] August 7, from David Greenleaf, "to construct and build mills, ithin the United States, upon the principles of an invention which he has iscovered for turning them by the help of a weight that is appended;"[127] ugust 10, from John MacPherson, "to make and vend lightning rods, upon n improved construction; also, conductors and umbrellas, upon a model hich he has invented, making them certain preservers from lightning;"[128] ugust 29, from Abraham Westervelt, "for manufacturing shell buttons, of ifferent dimensions, the art of doing which he has lately discovered;"[129] and eptember 18, from James Rumsey, "for constructing sundry engines, devices nd improvements, which he has discovered and invented for the dvancement of labour and useful works, agreeable to the descriptions and iodels thereof accompanying his petition."[130]

In view of his ferocious struggle with Fitch for state patents, one easonably may ask why Rumsey deferred the presentation of his first etition for federal patent rights until September 18, 1789. The answer is robably twofold. First, he was in England during this period and had to ely on his agents to file the petition; second, the petition took a while to repare because it encompassed a multiplicity of inventions. Indeed, he ould receive six separate patents on August 26, 1791.[131]

---

[125] *Id.* at 113.

[126] *Id.* at 131.

[127] *Id.* at 139.

[128] *Id.* at 141.

[129] *Id.* at 175.

[130] *Id.* at 213.

[131] *Proceedings in Congress, supra* note 37, at 253 n.14.

During its first session the Congress received eighteen petitions for exclusive rights or privileges, of which fourteen were from inventors and four from authors.[132] If this fact provides any indication of the relative interest in patents and copyrights, the Congress in 1783 had made the wrong recommendation; it should have recommended that the states enact patent laws rather than copyright laws.[133] Nonetheless, with action deferred in 1789 on both the petitions and the proposed general law, it remained to be seen what the Congress would do with regard to pursuing the authority granted it by the Intellectual Property Clause.

IV. SECOND SESSION, FIRST FEDERAL CONGRESS

A. *Washington's Recommendation*

The second session of the First Congress commenced on January 4, 1790. One of the first items of business was to convene a joint session to hear from President Washington an address on the state of the union as required by the Constitution.[134] Among the recommendations in Washington's address to the joint session on January 8, 1790, were the following:

> The advancement of agriculture, commerce and manufactures, by all proper means, will not, I trust, need recommendation. But I cannot forbear intimating to you, the expediency of giving effectual encouragement as well to the introduction of new and useful inventions from abroad, as to the exertions of skill and genius in producing them at home. . . . Nor am I less persuaded, that you will agree with me in

---

[132] Author's numbers, totalled from the citations in the congressional record.

[133] *See* BUGBEE, *supra* note 8, at 113 (reproducing the Congressional resolution of May 2, 1783, and recommending to the states that they enact copyright laws).

[134] The U.S. Constitution states that the President "shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient." U.S. CONST. art. II, §3.

> opinion, that there is nothing which can better deserve your patronage, than the promotion of science and literature.[135]

Although he used most diplomatic language, Washington was letting the Congress know that he was fully aware that it had failed to enact legislation in its first session under the power granted it by the Intellectual Property Clause of the Constitution, and that it was now expedient that it do so. Second, he clearly seemed to be suggesting that whatever legislation the Congress enacted for securing exclusive rights to inventors for their discoveries, such legislation also should be such as to encourage new and useful inventions from abroad. Such legislation should cover patents of importation as well as those for what would now be termed true invention.[136] This statement is a rather striking indication that Washington, as a framer, did not perceive the Intellectual Property Clause as prohibiting patents for importation.[137]

---

[135] 3 DOCUMENTARY HISTORY, *supra* note 4, at 253; *Proceedings in Congress*, *supra* note 37, at 253-54.

[136] An unnamed commentator, probably Federico, has argued against this view, saying: "[Washington's] complete passage mentions such a variety of different objects in the same sentence and paragraph that it is obvious that the same kind of encouragement was not intended for each. Washington was only advising Congress of objects to be sought; the particular manner of accomplishing them was not specified in any case." *The Patent Act of 1793*, 18 J. PAT. OFF. SOC'Y 77, 79 (1936). Assuming this to be true, it does not suggest that Washington perceived any impediment to the granting of patents of importation if Congress was disposed to enact such legislation. The House of Representatives certainly thought he was asking for such legislation when it instructed the committee drafting the proposed patent bill to "insert a clause or clauses for giving effectual encouragement to the introduction of useful arts from foreign countries." *See infra* text accompanying note 159.

[137] Nor was he alone in this regard. Jefferson, while not a framer, had carefully read the Constitution, and in 1789 had suggested to Madison that the proposed Bill of Rights include a provision that "Monopolies may be allowed to persons for . . . their own inventions." 5 THE WRITINGS OF THOMAS JEFFERSON 113 (Paul Leicester Ford ed., 1895).

As Kenneth Burchfiel stated:

The response from both the Senate and the House to these presidential recommendations was quickly forthcoming. On January 11th, the Senate stated:

> The introduction of new and useful inventions from abroad, and the exertions of skill, genius in producing them at home . . . are objects which shall receive such early attention *as their respective importance requires.* Literature and Science are essential to the preservation of a free Constitution; the measures of Government should therefor be calculated to strengthen the confidence that is due to that important truth. Agriculture, Commerce and Manufactures, forming the basis of wealth and strength of our confederate Republic, must be the frequent subject of our deliberations, and shall be advanced by all proper means in our Power.[138]

In polite but unmistakable language, the Senate was informing President Washington that it would decide when to enact appropriate legislation. It also was clarifying that not only would it decide the respective importance of native invention and importation, but that it viewed them as clearly being of different levels of importance.

The House response the next day was silent on Washington's recommendations with respect to the encouragement of invention, and with respect to literature and science said only that:

> One clear effect of this provision would have been to restrict the power of Congress to grant exclusive rights to mere importers of useful discoveries. Considered in the context of English patent law, Jefferson's comments on the extant patent provision of the United States Constitution suggest that he, like Washington, entertained an expansive concept of the legislative power actually granted.

Kenneth J. Burchfiel, *Revising the "Original" Patent Clause: Pseudohistory in Constitutional Construction*, 2 HARV. J.L. & TECH. 155, 211 (1989).

[138] *Proceedings in Congress, supra* note 37, at 255 (emphasis added).

> [w]e concur with you in the sentiment, that agriculture, commerce and manufactures, are entitled to legislative protection, and that the promotion of science and literature will contribute to the security of a free government; in the progress of our deliberations, we shall not lose sight of objects so worthy of our regard.[139]

The House, however, had formed a committee to look into the various recommendations that Washington had presented. On January 15th that committee presented a resolution that read in relevant part:

> it is the opinion of this committee, that the several matters recommended by the President of the United States, in his speech to both Houses of Congress, relating . . . to the advancement of the agriculture, commerce and manufactures of the United States; to the encouragement of useful inventions; . . . and to the promotion of science and literature, ought, severally, to be referred to select committees to be appointed by the House, to prepare and bring in a bill or bills, providing for each particular purpose.[140]

---

[139] 3 DOCUMENTARY HISTORY, *supra* note 4, at 260; *Proceedings in Congress*, *supra* note 37, at 256.

[140] 3 DOCUMENTARY HISTORY, *supra* note 4, at 264; *Proceedings in Congress*, *supra* note 37, at 257-58.

B. *What To Do About H.R. 10*

Meanwhile, the House on January 11th had been informed of certain unfinished business before it. The eighteen petitions by authors and inventors had not been acted upon, and the postponed bill to promote the progress of science and the useful arts by securing to authors and inventors the exclusive right to their respective writings and discoveries had not yet been considered.[141]

January 15th also saw both the House and the Senate presented with a different kind of petition, one not directed at obtaining exclusive rights in invention but rather one seeking to limit the scope of any exclusive rights that might be given to an earlier petitioner, namely, James Rumsey. Specifically, William Montgomery and Abraham Owen prayed:

> that any exclusive privilege which Congress shall judge proper to grant to James Rumsey, as the author of certain devices and inventions, may be restricted to the plans or specifications thereof deposited by the said Rumsey in the files of Congress, in such manner that the petitioners or others may not be precluded from making or using machinery not comprised in the said plans or specifications.[142]

Obviously, others than merely Rumsey and Fitch were concerned about the potential effects of patents granted for broad "principles." In the absence of any clear understanding of what the Congress intended to do with respect to patents, other artisans and mechanics already were seeking to protect their interests. This fact was merely another indicator of the need for the Congress to act promptly with respect to rights authorized under the

---

[141] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 256.

[142] 3 DOCUMENTARY HISTORY, *supra* note 4, at 263; *Proceedings in Congress*, *supra* note 37, at 256.

Intellectual Property Clause. In immediate response, both the House and the Senate tabled the petition.[143]

The petition by Montgomery and Owen effectively reminded the House of certain unfinished business, to wit, H.R. 10. In particular, Rep. Thomas Hartley of Pennsylvania raised the question of whether business left unfinished at the end of the first session should be resumed where it was left off, or whether it should begin anew.[144] He then went on to say that "[h]e wished to determine this point absolutely" and accordingly would move to have H.R. 10 taken up since it "was intended to have passed" in the last session.[145] His motion to this effect was ordered to lie on the table.[146]

Acting as a Committee of the Whole, the House then adopted a resolution:

> that the several matters recommended by the President of the United States, in his speech to both Houses of Congress, relating . . . to the advancement of agriculture, commerce, and manufactures of the United States; to the encouragement of useful inventions;
>
> . . . and to the promotion of science and literature, ought severally to be referred to select committees to be appointed by the House, to prepare and bring in a bill or bills, providing for each particular purpose.[147]

---

[143] *See Proceedings in Congress, supra* note 37, at 257-58.

[144] *See id.* at 257.

[145] *Id.*

[146] *See id.* at 257.

[147] 3 DOCUMENTARY HISTORY, *supra* note 4, at 264; *Proceedings in Congress, supra* note 37, at 257-58.

Two aspects of this resolution are of interest. First, it responds to Mr. Hartley's query by implicitly suggesting that a new bill or bills will be prepared rather than simply resuming where the House had left off on H.R. 10. Second, it does not specifically address Washington's request that the Congress give "effectual encouragement . . . to the introduction of new and useful inventions from abroad" but subsumes it into the more general "encouragement of useful inventions."[148]

Nonetheless, neither the Senate nor the House were entirely certain as to the effect of the adjournment between sessions on business left pending before the Congress. Accordingly, the Senate requested a House committee to confer with a Senate committee "to consider and report whether or not the business begun previous to the late adjournment of Congress, shall now be proceeded in as if no adjournment had taken place."[149] The two committees met and recommended that "the business unfinished between the two Houses at the late adjournment, ought to be regarded as if it had not been passed upon by either."[150] On January 25th the House concurred in a Senate resolution to this effect.[151] The net results were that H.R. 10 effectively was killed and that a new bill or bills covering patents and copyrights must be introduced.

On the same day, Rep. Aedanus Burke of South Carolina moved that a committee be appointed to bring in a copyright bill.[152] He was asked whether he "would extend his motion to embrace the other objects intended to be provided for by the bill [H.R. 10] brought before the House at the last session;"[153] Burke replied that he desired to keep the two separate "because

---

[148] 3 DOCUMENTARY HISTORY, *supra* note 4, at 264.

[149] 3 DOCUMENTARY HISTORY, *supra* note 4, at 268.

[150] *Id.* at 270.

[151] *See id.* at 273.

[152] *See Proceedings in Congress, supra* note 37, at 258.

[153] *Id.*

it is almost as easy to ascertain literary property as any other kind of property; whereas there is some difficulty in deciding upon improvements or inventions in the useful arts."[154] He perceived that "[t]his latter object . . . would occasion a good deal of discussion."[155] Despite Burke's argument, the House resolved to appoint a committee "to prepare and bring a bill or bills making a general provision for securing to authors and inventors the exclusive right to their respective writings and discoveries."[156] Burke, Huntington, and Cadwalader made up the committee, and in the end Burke accomplished his purpose because this committee ultimately did report separate copyright and patent bills.[157]

On January 28th, the House belatedly recognized that it had not specifically addressed Washington's request with respect to encouragement of the introduction of new and useful inventions from abroad.[158] It instructed "the committee appointed to prepare and bring in a bill or bills, for securing to authors and inventors, an exclusive right to their respective writings and discoveries, that they do insert a clause or clauses for giving effectual encouragement to the introduction of useful arts from foreign countries."[159]

---

[154] *Id.* at 259.

[155] *Id.*

[156] *Proceedings in Congress, supra* note 37, at 258-59. This article also gives a brief biography of Burke. *See id.* at 259 n.16.

[157] *See id.* at 259.

[158] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 278.

[159] *Id.*; *Proceedings in Congress, supra* note 37, at 260; *cf. Proceedings of Congress*, 7 AM. MUSEUM app. III, at 29 (1790). "[January 28:] Mr. Burke presented to the [H]ouse a motion, that it be an instruction to the committee appointed to bring in a bill for encouraging manufactures, to add a clause respecting the securing to inventors, the right to their discoveries. This was agreed to." *Id.*

C. *More Petitions*

Petitions seeking exclusive privileges in inventions continued to be received in the House: January 29, from Aaron Putnam, "in the use of an improved method of distilling . . . whereby the spirit is rendered much more pure, and, with the same expence and time, twice the quantity produced, as in the common method;"[160] January 29, from Francis Bailey, "in the use of an invention . . . of forming types for printing devices to surround or make parts of printed papers for any purpose, which cannot be counterfeited;"[161] February 8, from Nathan Read, "for constructing sundry machines and engines . . . for improving the art of distillation, for facilitating the operation of mills and other water-works, and for promoting the purposes of navigation and land carriage;"[162] February 8, from John Stevens, Junior, "for an improvement on the steam engine . . . by a new mode of generating steam;"[163] February 15, from John Stone, "for a new and expeditious method . . . of driving piles attached together, whereby the construction of wooden bridges over the broadest and deepest streams may be greatly facilitated;"[164] and February 22, from James M'Comb, "in the use of a machine . . . for facilitating the operation of water mills."[165] In each instance the House record refers to these petitions as being for exclusive privileges rather than for exclusive rights, despite the constitutional language referring to exclusive rights. The English precedent of considering patents as being for privileges rather than rights was still very much in evidence.

---

[160] 3 DOCUMENTARY HISTORY, *supra* note 4, at 279.

[161] *Id.*

[162] *Id.* at 288-89.

[163] *Id.*

[164] *Id.* at 297

[165] *Id.* at 302.

D. *Bailey's Bill*

With the exception of Francis Bailey's petition, all of these petitions were tabled. Bailey's petition, however, came closest of all to resulting in a private act granting a patent. Both the House and the Senate referred it to Treasury Secretary Alexander Hamilton who on February 22nd responded by saying that while it was difficult for him to decide the extent to which the invention might actually afford security against counterfeiting, nonetheless it was worthy of having an exclusive right to its use secured to Bailey.[166] Accordingly, on February 26th the House ordered that a bill be brought in securing to Bailey the exclusive use of his invention.[167] Obviously, the bill had been prepared in advance,[168] for on that same day it was received by the House and read for the first time.[169]

The text of this bill (H.R. 44)[170] still exists.[171] It grants to Bailey, his executors, administrators, and assigns, for a term of fourteen years

> the sole and exclusive right and privilege of making, using and vending to others, punches made upon the principle by him invented, and all Matrices stamped and punched with such punches, and all types for letters and devices, cast in

---

[166] *See Proceedings in Congress, supra* note 37, at 266.

[167] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 307; *Proceedings in Congress, supra* note 37, at 266.

[168] It is unknown whether the bill was prepared by Bailey or by the House Committee of Representatives Boudinot, Sedgwick, and White, who were ordered to prepare it and bring it in to the House.

[169] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 309; *Proceedings in Congress, supra* note 37, at 267.

[170] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 311 n.5.

[171] *See Proceedings in Congress, supra* note 37, at 353-55. The text given there is dated March 1, 1790, although the House Journal makes clear that it was first presented to the House on February 26th. *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 309.

> such matrices, and all punches or stamps made upon the same principle, for impressing on Copper, Cuts, or other printing plates, and on dies, and on precious metals, and other substances, certain Marks of distinction, to prevent counterfeits.[172]

The penalty for infringement was set as one thousand dollars for every such offense as well as the forfeiture of the infringing items to Bailey, such penalty and forfeiture to be obtained by an action brought in a court of competent jurisdiction.[173]

Within one month of the passage of the act, Bailey was required to file in the office of the Secretary of State a full and perfect definition and specification of the principles of his said invention, whereby not only the same may be distinguished from other modes heretofore used by others, but also, whereby an Artist, after the expiration of the said term, may be enabled to make and use the same.[174] The specification was to remain secret during the term of the act except if Bailey brought an action for infringement, in which case the defendant was entitled to receive a certified copy of the specification for the purposes of either showing noninfringement or that the subject matter of the invention was previously known or was derived from others.[175]

It is apparent that H.R. 44 is modeled after the language of H.R. 10, but differs from it primarily in requiring the specification to be kept secret. On March 2nd, the House passed H.R. 44 and sent it to the Senate.[176] In the Senate, the bill was read and referred to a committee that recommended on

---

[172] *Proceedings in Congress, supra* note 37, at 353-54.

[173] *See id.* at 354.

[174] *See id.* at 355.

[175] *See Proceedings in Congress, supra* note 37, at 355.

[176] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 311; *Proceedings in Congress, supra* note 37, at 267.

March 4th that consideration on it be postponed until the then-pending patent bill could be taken into consideration.[177] On March 16th the Senate ordered that H.R. 44 be referred to the committee considering the patent bill.[178] That committee issued a report on both bills dated March 29, 1790, which was quite favorably disposed toward H.R. 44 and recommended that it be enacted into law.[179] The reasons set forth for doing so were:

---

[177] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 311 n.6; *Proceedings in Congress, supra* note 37, at 269. Some rather acerbic comments from Senator Maclay of Pennsylvania concerning the Senate treatment of H.R. 44 are known. On March 2nd, he notes "[s]ome spiteful remarks made on" Bailey's bill. WILLIAM MACLAY, SKETCHES OF DEBATE IN THE FIRST SENATE OF THE UNITED STATES, IN 1789-90-91, at 174 (George W. Harris ed., 1880) [hereinafter MACLAY'S JOURNAL].

On March 3rd, he writes:

> This day Bailey's bill taken up for second reading. Five members rose to oppose it. I was up three times, and I am convinced we should have carried it. Mr. Morris rose, however, and proposed that it should be committed to the very men who opposed it. . . . It is a new way to commit a bill to its enemies. We will see what will come of it.

Id. at 174-75. On March 4th, he states:

> My bodings of yesterday were not ill founded, with respect to Bailey's bill. A man ought not to put his hand in a dog's mouth, and trust to his generosity not to bite it. Commit this bill to its declared enemies, and trust to their generosity to report in favor of it. My conjectures were right, and they have reported dead against it.

Id. at 175.

[178] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 311 n.6; *Proceedings in Congress, supra* note 37, at 273.

[179] *Proceedings in Congress, supra* note 37, at 274.

[t]he Legislature seems in some sort bound to grant him a Special Act — had they at first said, we are about passing a general Law which will serve you as well as others, he would have been at Liberty to have retained his Secret, but both Houses having appointed Committees to whom he has disclosed it in full Confidence of that Part of his Pet'n [sic] being granted which prays for a Special Act, he seems in some degree entitled to that Favor from Congress.

Another & very forceful Reason why a Special Act should be granted in this Case is that it is not a new Combination of Principles known before, which can be exactly defined & distinguished from all others, but it is the Discovery of a new Principle capable of infinite Varieties in the Combination of *Art with Accident*, all of which cannot be described; the Grant therefore would be imperfect by a Patent. It was on this Ground that the British Parliament passed an Act in 1786 securing to Bolton & Watt a new Invention to condense Steam for working Steam Engines, the Principle of which was to draw the Steam out of the Cylinder by an exhausted Receiver which could be done in so many different Forms that had they taken a Patent for their Form, others might be used not described in their Specification & they be robbed of the Principle of their Invention, which was therefore granted by a Special Act of Parliament — nor is there any Danger of the Precedent involving Congress in repeated Applications; for the mode adopted by the Bill for promoting Arts is so just, simple and easy to be pursued that no Inventor will take the Trouble of soliciting a Special Act where the general Act will serve him & if once in several years a new Principle (as in the present case) is discovered, Congress will not find it often repeated nor too troublesome considering that such new Principle does honor to the Country, adds to the stock of

> useful knowledge & effectually promotes the Progress of the Arts.[180]

Several aspects of this language are noteworthy of comment. First, it misapprehends what Parliament actually had done regarding Watt's patent.[181] Nonetheless, it evidences clear knowledge by the committee of recent English practice and the problems becoming evident under that practice of the pitfalls of attempting to patent broad "principles." It also suggests a good understanding of the recent English court decisions placing so much emphasis on the specific disclosure set forth in the specification. Inherent in the language is the view that it is not possible to patent broad principles, and that a grant of rights in such may only be secured by a special act of Congress rather than under the pending patent bill. It accepts the premise that the Congress may appropriately from time to time enact special legislation granting rights in broad principles to inventors. Finally, it is noteworthy for the fact that it says nothing about Fitch, whose petition to the Senate was referred to this same committee on March 22nd.[182] If valid, however, these same premises should have applied to Fitch's argument that his invention covered the broad principles of applying steam propulsion to purposes of navigation in whatever form.[183]

---

[180] *Id.* at 364-65 (emphasis in original).

[181] Watt's patent had been issued in 1769 by the crown, not Parliament, and its term extended by 25 years by special Act of Parliament in 1775. *See* The Fire Engine Act, 15 Geo. III, ch. 61 (1775) (Eng.). It appears that the committee was acting on incorrect hearsay information in reporting that Boulton and Watt had received a patent from Parliament in 1786.

[182] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 264-65.

[183] It may be that the committee failed to specifically address Fitch's petition because there was no pending bill with respect to Fitch's petition for exclusive rights to steam navigation. With regard to Fitch's argument, see *supra* text accompanying notes 53-63. Moreover, in the petition dated March 13th and apparently received by the Senate on March 22nd, Fitch had stressed that:

> the Application of Steam to the Purposes of Navigation, is a *sole and independent Invention*, & that no Variation in

Despite the committee recommendation for approval, the Senate never acted upon H.R. 44; however, neither was it formally rejected. The Senate copy of H.R. 44 contains an endorsement by the secretary of the Senate, dated March 29, 1790, stating: "This bill having had two readings was non-concurred, provision being made in another bill."[184] Apparently because of this endorsement, the contention has been made that the provisions of H.R. 44 became part of the patent bill.[185] In any strict sense this is incorrect. Although an attempt apparently was made to have the patent bill amended to include a section making some special consideration for Bailey, this effort seems to have failed on March 30th.[186] It is apparent that a number of the provisions of the patent bill are similar to those of H.R. 44, but they are not derived from H.R. 44, and H.R. 44 was allowed to die when it became apparent that a general patent statute would be enacted.

> the mode of applying the Power, ought to affect the Exclusiveness of the Right; for there are an [sic] hundred modes, perhaps all equally useful, but the Merit lays simply in the *Application of Steam to Navigation;* the Right belongs to him who first brought it publicly before the World, and that Right is therefore justly rationally and legally in your Petitioner.

Proceedings in Congress, supra note 37, at 362 (emphasis in original).

Although the official record is silent on the point, an attempt may have been made on March 30th to include some special provision for Fitch. Thus Senator Maclay's Journal entry for that date states: "Third reading of the bill for the progress of useful arts produced a debate by the New England members in favor of a man from their country; but by being joined by the southern men we defeated them." MACLAY'S JOURNAL, *supra* note 177, at 187-88. Fitch, who was from Connecticut, is probably the person referenced.

[184] *Proceedings in Congress, supra* note 37, at 365.

[185] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 311 n.6.

[186] *See Proceedings in Congress, supra* note 37, at 365-67.

E. *The Second Patent Bill [H.R. 41]*

The patent bill that produced the demise of H.R. 44 was H.R. 41, which was first read in the House on February 16th.[187] Thereafter, the scheduled second reading on February 24th was postponed from day to day until March 4th.[188] The bill was read and debated on March 4th and 5th. As introduced, H.R. 41 was rather closely patterned after the patent provisions of H.R. 10.[189]

The committee's changes to the patent provisions of H.R. 10 in the drafting of H.R. 41 can be easily summarized. First, there are certain minor editorial changes. Second, there are four specific substantive changes. Also, a new section is added expressly stating that the first importer of any art, machine, engine, device or invention, or any improvement thereon, shall be treated as if he or she were the original inventor or improver within the United States.[190] This addition is in direct response to the instruction given on January 28th that the bill include language for giving effectual encouragement to the introduction of useful arts from foreign countries.[191] With such express language, patents of importation clearly would be permitted.

Regarding the four substantive changes mentioned above, first, the phrase "not before known and used" is expressly qualified with "within the

---

[187] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 299; *Proceedings in Congress, supra* note 37, at 264.

[188] *See Proceedings in Congress, supra* note 37, at 266.

[189] Earlier commentators had been unable to find any copy of H.R. 41 as introduced. *See Proceedings in Congress, supra* note 37, at 264 n.29. However, more recently a copy has been found in the Broadside Collection, housed in the Rare Book Room at the Library of Congress. *See* 6 DOCUMENTARY HISTORY, *supra* note 4, at 1626-32.

[190] This new section, however, would be short-lived, being deleted in the final version of H.R. 41 passed by the House.

[191] *See supra* text accompanying note 159.

United States."[192] Second, the specification is required to be delivered at the time the patent is granted rather than "within one calendar month, next after the sealing and delivery" of the patent.[193] Third, the highly confusing reference to "the chief justice, and one other justice of the supreme court, who or any two them . . ."[194] is replaced by "three disinterested persons," termed referees, a majority of whom can decide the issue of whether issuance of a patent should be stayed in a caveat proceeding.[195] These three referees are to be selected, one by each party and the third by the Secretary of State. Fourth, the section referring to costs is completely rewritten.[196]

1. How To Determine Priority Of Invention

As introduced, H.R. 41 retained the right, as originally set forth in H.R. 10, of a party to request that a priority determination be made by a jury, if it was found (by the referees) that the invention sought to be patented was claimed by two or more parties.[197] During the debate on March 4th, a motion was made to strike the clause giving a party a right of appeal from the decision of the referees.[198] Thereafter:

> This motion was opposed, on the ground of depriving the citizen of a right to which he is entitled, as improper in itself, as causes of a very great magnitude may be depending, which it may be highly improper to submit to the decision of three men only, two of which may be so differently interested, as never to agree—so that the decision may finally

---

[192] 6 DOCUMENTARY HISTORY, *supra* note 4, at 1632.

[193] *Id.* at 1634.

[194] *See supra* text accompanying note 100.

[195] 6 DOCUMENTARY HISTORY, *supra* note 4, at 1634-35.

[196] *See id.* at 1637.

[197] *See id.* at 1629.

[198] *See* 2 ANNALS OF CONGRESS 1413 (1790).

> result from the influence of the person nominated by the Secretary of State. On the other hand, it was said, that it appears highly improper that juries should be called to judge upon matters that they may not be supposed to form a judgment of, these trials will always relate to matters of invention &c. of which three persons may be found with much greater ease who are competent to judge, than twelve, that the right of trial by juries is not universal; and in the present case there will be a much greater probability of having justice done by arbitrators, who are men of science &c.[199]

The argument that juries were not competent to decide technical issues involving patentability was persuasive and the motion carried.[200]

The Journal of the House makes clear that several floor amendments were made to the bill on March 5th without expressly stating what they were.[201] Actually, there were a number of small changes that can be characterized as mainly editorial, and several that are more substantive. One substantive change strikes the right to a jury trial.[202] A second change modifies the manner in which the three referees are to be selected.[203]

2. Deleting The Express Authorization For Patents Of Importation

A third substantive change made on March 5th involved the deletion of the language of section 6 that expressly stated that the first importer of

---

[199] *Id.*

[200] *See id.*

[201] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 317; *Proceedings in Congress*, *supra* note 37, at 270.

[202] *See* 2 ANNALS OF CONGRESS, *supra* note 198, at 1413.

[203] *See* 6 DOCUMENTARY HISTORY, *supra* note 4, at 1634-35.

any art, machine, engine, device, or invention, or any improvement thereon, shall be treated as if he or she were the original inventor or improver within the United States.[204] Therein lies a tale because this amendment ultimately lead to a rejection of patents of importation by the United States patent law and an interpretation of novelty in the United States that was much more conservative than that found in any other country issuing patents. Thus, this amendment ultimately lead to the United States being the first country in which novelty would be predicated on whether there had been public knowledge or use anywhere in the world, rather than merely within the country issuing the patent.[205]

Historians have largely ignored this major, and in its time, radical, departure from the European patent custom and practice and have failed totally to recognize that it was initiated in the House.[206] They also have failed to address the question of why the Congress chose to ignore the

---

[204] *See* Edward C. Walterscheid, *Novelty in Historical Perspective (Part II)*, 75 J. PAT. & TRADEMARK OFF. SOC'Y 777, 780 (1993).

[205] *See id.* at 780-81.

[206] Thus, Ben-Atar gives a misleading impression in stating that "[t]he House of Representatives version of the bill [the version passed by the House], followed English law in giving to the first importer of technology the monopoly privileges accorded to original inventors." Doron Ben-Atar, *Alexander Hamilton's Alternative: Technology Piracy and the Report on Manufactures*, 52 WM. & MARY Q. 389, 403 (1995). It is quite possible that if the Senate had not deleted "within the United States" as a modifier to "not before known or used" the courts would have interpreted this language as permitting patents of importation, but Ben-Atar fails to note that the version passed by the House had deleted the express language "giving to the first importer of technology the monopoly privileges accorded to original inventors" and that the clear intent of the House was to preclude patents of importation. Dood, who is similarly misleading, seems totally unaware that the original House version of H.R. 41 contained a section expressly authorizing patents of importation and that the section was deleted in the version sent to the Senate. Kendall J. Dood, *Patent Models and the Patent Law, 1790-1880 (Part I)*, 65 J. PAT. OFF. SOC'Y 187, 192-95 (1983).

specific recommendation of President Washington in so doing.[207] I suggest here that it came about primarily because of a concern expressed by James Madison that patents of importation were unconstitutional.

3. Wells' Petition

There is nothing in the official record of the House of Representatives to indicate how this amendment with its far-reaching significance came about, but I have previously argued that "there is good reason to believe that it was a direct result of a letter and petition submitted to the House by one Richard Wells on March 4, 1790."[208] I took this view because I could find no other evidence that so well supported the House's action (the deletion of section 6 of H.R. 41 as introduced). For the reasons set forth herein, I now believe that Wells' petition likely did not influence the House action, although it may possibly have played a role in what the Senate did with respect to H.R. 41.

If ever there was an advocate of technology piracy in the sense that Ben-Atar defines it,[209] it was Richard Wells. At first glance, it reasonably might be supposed that this would make him an advocate for patents of importation, but just the reverse was true. The sum and substance of Wells'

---

[207] Ben-Atar actually raises the question but only in a rhetorical sense. Ben-Atar, *supra* note 206, at 404 n.76.

[208] Walterscheid, *supra* note 204, at 781 n.99. The petition is dated March 3, 1790, but the letter from Wells to Representative Henry Wynkoop of Pennsylvania by which it was transmitted to the Congress is dated March 4, 1790. *Id.* Both the letter and the petition are in the House of Representatives papers, National Archives, HR1A-E1.1. *Id.* Unlike the petitions received from various inventors, Wells' petition is not referenced in the House or Senate Journals and thus has gone largely unnoticed. *But see* Steven Lubar, *The Transformation of Antebellum Patent Law*, 32 TECH. & CULTURE 932, 935 (1991); Ben-Atar, *supra* note 206, at 404 n.76.

[209] Ben-Atar defines "piracy" in the modern sense: "an unauthorized appropriation and reproduction of another's production, invention or conception" although he actually uses it in a much broader sense to include technology that is in the public domain. Ben-Atar, *supra* note 206, at 389 n.2. (citation omitted).

petition and the accompanying letter was opposition to section 6 of H.R. 41 as introduced.[210] If it were enacted into law, "America will be deprived of the advantage she now enjoys of imitating any of the English inventions."[211] Because "every person hath a right to examine the rolls in the high court of Chancery & to demand copies of the patent specifications there filed, therefore it would be very unreasonable to grant 14 years exclusive benefit to the man who first imports such copies."[212] Further:

> there may be persons *now ready prepared* with such patent copies, waiting for the passing of the law, who then may lay all America under what contributions they please, because no other *can make*, nor can any others *import* any such adopted inventions. Far cheaper would it be, to the citizens of the United States, should copies of the existing patents be procured at the public expence for the public benefit. Thus, instead of giving patent protection to the importers of these English inventions, Congress should itself 'introduce all such patent inventions as are worth importing' so that the 'benefit would be reaped by the citizens at large.'[213]

If the Congress was not prepared to take on the task of importing the English inventions for the public good, all was not lost, for "as neither *risk*, ingenuity, nor but a *moderate expence* are required, in obtaining copies of English patents, your petitioner conceives that artists will readily import all such patent inventions, as may suit America, without calling for such great sacrifices from the rest of the community."[214] In this regard, Wells candidly admitted that, as an operator of a lead works, he had sent already to

---

[210] Walterscheid, *supra* note 204, at 781.

[211] *Id.*

[212] *Id.*

[213] *Id.* (emphasis in original).

[214] *Id.*

ngland to obtain a copy of a specification pertaining to the manufacture of ead shot.[215]

It is highly questionable whether English specifications were as eadily available[216] or as readily understandable[217] as Wells seemed to think, ut there is no reason to believe that the Congress knew any more about the natter than Wells did. Also, in light of Washington's expressed desires, one easonably may question why Wells' argument that authorizing patents of nportation would inhibit the ability of the American populace to pirate nglish inventions actually carried the day. Nonetheless, the coincidence of ne content of Wells' petition, coupled with the action taken by the House, resented a compelling argument that, in the absence of contrary evidence, Vells was indeed responsible for inducing the House to delete section 6 and nereby ultimately cause the American patent law to be fundamentally ifferent than its European counterparts. There is contrary evidence, owever, which strongly suggests, despite the argument's plausible nature, nat it has little or no substance. This evidence not only demonstrates the nlikelihood that Wells influenced the House action, but points clearly to nother basis for it: a concern voiced on the House floor that patents of nportation were unconstitutional.

---

[215] *See id.* at 782.

[216] *See infra* text accompanying note 269.

[217] The English case law made clear that a specification need be directed only at one skilled in the art. Accordingly, as Jeremy points out:

> [b]y their very nature, British patents therefore presented some difficulty to American borrowers; they were comprehensible only to artisans already familiar with the technology. This implied that as the technology developed, the patent specifications became harder to understand because the up-to-date knowledge they assumed was increasing.

DAVID J. JEREMY, TRANSATLANTIC INDUSTRIAL REVOLUTION: THE DIFFUSION OF TEXTILE TECHNOLOGIES BETWEEN AMERICA AND BRITAIN, 1790-1830s at 45 (1981) (footnote omitted).

Several factors mitigate against an interpretation that Wells' petition actually influenced the House action. Perhaps the most straightforward factor is the close timing that was involved. The letter transmitting the petition is dated March 4, 1790, and the House debates occurred on that day and the next day.[218] Wells lived near Philadelphia and the House met in New York. While it is possible that Wells went to New York to deliver the letter and petition, it is doubtful that they were actually read and presented in the course of the debate or that their content was made known even partially to those involved in the floor debate.[219]

Second, the failure of the Journal of the House to make any reference to Wells' petition suggests that it was not a factor in the deletion of section 6 from H.R. 41. A word of caution is in order here, however, because the Journal also fails to make any mention of the constitutional concerns that were raised. Why the debate pertaining to H.R. 41 on March 4th is journalized, while that on March 5th is not, is a question yet to be answered.

4. Constitutional Concerns

Most importantly, however, there is contemporaneous indirect evidence of what happened on March 5th with regard to section 6. On that date, Rep. Thomas Fitzsimons of Philadelphia wrote to Tench Coxe, describing the proceedings of the day. He states in relevant part:

> The bill for promoting Useful Arts has been so farr [sic] Gone [through] To be new Engrossed — & will probably go to the senate in a day or two. Many alterations in Stile [sic] & some in Substance has been made — Among which are some

---

[218] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 315, 317.

[219] Such a question is in fact raised by an unknown person on a sheet filed with the petition in the National Archives that suggests that Wells' letter to Wynkoop occurred too late to do any good in the House. Moreover, even if Wynkoop had received them and read them, he did not have the personality to interject himself into the debate.

> Suggested in your Leter [sic] to me[220] the 6th. Section, allowing to Importers, was left out, the Constitutional power being Questionable — but if it is not the inconvenience is too Manifest of Admiting Patents in such Cases except some better guards could be provided. Indeed, on Consideration the bill altogether was found to be Very imperfect--yet we preferrd. Making some Amendments to recommitting, which might prevent any one passing this Session.[221]

Fitzsimons thus makes clear that section 6 was deleted because of concerns raised about the constitutionality of patents of importation. It is possible that his reference to the "inconvenience" of such patents in the absence of "better guards" could be predicated on concerns raised by Wells, but his failure to make any reference to Wells argues against this.[222]

---

[220] Unfortunately, this letter has not been found. Coxe was highly interested in whether the proposed patent statute would authorize patents of importation. On January 17, 1790 he wrote to George Clymer, an associate in the Pennsylvania Society for Promoting Manufactures and the Useful Arts, that he and another person were about to apply for a patent on various items of Richard Arkwright's fabulously successful fiber spinning machinery. Letter from Tench Coxe to George Clymer (Jan. 17, 1790), *in* TENCH COXE PAPERS, HISTORICAL SOCIETY OF PENNSYLVANIA (on file with the Historical Society of Pennsylvania). He candidly acknowledged that they were not original inventors of this machinery but rather were "the introducers," and accordingly urged Clymer to use his influence to have the patent bill, H.R. 10, which he thought was still pending before Congress, amended to allow patent privileges for those who "introduced" valuable foreign machinery. *See id.; see also* J. E. Cooke, *Tench Coxe, Alexander Hamilton, and the Encouragement of American Manufacturers*, 32 WM. & MARY Q. 369, 381 (1975); Anthony F. C. Wallace & David J. Jeremy, *William Pollard and the Arkwright Patents*, 34 WM. & MARY Q. 404, 409-11 (1977).

[221] TENCHE COXE PAPERS, Incoming Box 20, HISTORICAL SOCIETY OF PENNSYLVANIA (on file with the Historical Society of Pennsylvania).

[222] Both Coxe and Wells were long-time residents of the Philadelphia area and must have been at least acquainted with each other. Had Wells' name come up in the debate — as it undoubtedly would have had his petition been a subject of the debate — Fitzsimons would very likely have at least mentioned this fact to Coxe. His failure to do so thus may be considered

Fitzsimons does not indicate who raised the constitutional concerns or what their nature was. I thus have no direct evidence that James Madison was largely, if not primarily, responsible for the refusal of the Congress to specifically authorize patents of importation in the Patent Act of 1790.[223] Rather, the interpretation I now offer comes from indirect evidence from closely contemporaneous correspondence that occurred between Madison and Coxe several weeks after the House debate.

On March 21, 1790, Coxe wrote to Madison[224] seeking support for efforts to encourage the diffusion of European technology to the United States through his scheme of offering land premiums for the importation of such technology.[225] He argued that the creation of new technology in the United States would

> save great sums of Money, raise our character as an intelligent Nation, and encrease [sic] the comforts of human life and the most pure & dignifying Enjoyments of the mind of man. No man has a higher confidence than I, in the talents of my Countrymen & their ability to attain these things by

---

as further evidence that the petition played no role in the House action.

[223] I can find no indication in the voluminous Madison correspondence and documentation that he ever alluded directly to a concern about the constitutionality of patents of importation, either on March 5, 1790 or at any other time, except for the one instance in his response to Coxe's letter of March 21, 1790, *see infra* note 231, wherein he expressly acknowledges his view that the Constitution precludes patents of importation. *See* Letter from James Madison to Tench Coxe (Mar. 28, 1790), *in* 13 THE PAPERS OF JAMES MADISON 128 (Charles F. Hobson et al. eds., 1981).

[224] *See* Letter from Tench Coxe to James Madison (Mar. 21, 1790), *in* 13 THE PAPERS OF JAMES MADISON, *supra* note 223, at 111-14.

[225] He had first suggested this scheme several years earlier. *See An Address to an Assembly of the Friends of American Manufactures, Convened for the Purpose of Establishing a Society for the Encouragement of Manufactures and the Useful Arts, Read in the University of Pennsylvania on Thursday the 9th of August, 1787 — by Tench Coxe, Esq. and Published at Their Request*, 1 AM. MUSEUM, No. 5, at 248, 253 (1787).

> their native strength of mind, but I would nevertheless draw upon that great fund of skill & knowlege, [sic] particularly of the useful Arts, [which] Europe possesses. *For this reason I saw with regret the truth of your apprehension, that the benefit of a patent could not be constitutionally extended to imported objects — nor indeed, if it were within the verge of the powers of Congress, do I think any clause to that effect could be safely modified.* Private acts would be wise and safe, if they could be thought constitutional; but I think they cannot without an Amendment, by striking out all of the clause that follows the word "*by*" in the 8th. para. of the 8th. Sec. of the first Article[226] — or something to that purpose.[227]

How did Coxe know of Madison's concern that patents of importation were unconstitutional and why did he refer to "any clause to that effect"? I suggest that the answer to both questions is that he was following closely the progress of H.R. 41 because of his interest in obtaining patents of importation,[228] and thus was apprized fully of what had occurred in the House debates on section 6 of H.R. 41 on March 5th, only two weeks earlier. He thus provides indirect but persuasive evidence of the position that Madison took during those debates. Moreover, in his response to Coxe, Madison expressly acknowledged his belief that patents of importation were unconstitutional.[229]

---

[226] He was referring to the Intellectual Property Clause, which reads: "To 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." U.S. CONST. art I, § 8, cl. 8.

[227] 13 THE PAPERS OF JAMES MADISON, *supra* note 223, at 113-14 (first emphasis added) (second emphasis in original).

[228] *See generally* Wallace & Jeremy, supra note 220.

[229] *See* Letter from James Madison to Tench Coxe (Mar. 28, 1790), *in id.* at 128.

5. The Senate Receives Amended H.R. 41

The engrossed bill was read for the third time on March 10th and the blanks filled in;[230] the House then passed it and sent to the Senate.[231] The Senate received it on March 11th and read it for the first time.[232] On March 15th it was read for the second time and assigned to committee.[233] Fitch seems to have closely followed the progress of the bill, for in a petition to the Senate dated March 13, 1790, he states "[t]hat conceiving himself interested in the Bill for promoting 'The Progress of useful Arts,' which is said to have passed the honorable House of Representatives," he has "a few Remarks" on the bill.[234] He then proceeds to plead for retention of an optional trial by jury, saying:

> [t]hat Matters of Fact respecting Property are rightfully and constitutionally the Objects for Juries to decide on, your Petitioner hath always been taught to believe, and every Deviation from this general Rule must excite in the public Mind uneasy Suspicions of a gradual Deprivation of this valuable Privilege. It hath been said that it was alledged in the House that the Bill having Reference merely to Inventions they would more properly and fitly be determined by three Referrees than by a Jury; but your Petitioner would wish to

---

[230] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 325.

[231] *See id.* at 325; *Proceedings in Congress, supra* note 37, at 271. H.R. 41 as passed by the House is reproduced at 6 DOCUMENTARY HISTORY, *supra* note 4, at 1632-37.

[232] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 325 n.59.

[233] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 258; *Proceedings in Congress, supra* note 37, at 271. The committee consisted of Senators Carroll of Maryland, Johnson of Connecticut, Few of Georgia, Maclay of Pennsylvania, and Patterson of New Jersey. Brief biographies are given in *Proceedings in Congress*; all had practiced law before being elected to the Senate. *See id.* at 271-73 n.39.

[234] 6 DOCUMENTARY HISTORY, *supra* note 4, at 1638.

> draw the Attention of your honorable House to that Part of the third Section which defines the Duties of the Office of Referrees; it directs that if two or more Discoveries "shall appear to be substantially the Same both in Principle and Execution then the said Referrees shall enquire into and determine the Priority of the said Inventions or Discoveries." Here it is evident that not only the Merits of Similarity of Invention, but the *substantiating of Facts* shall be Part of their Duty: this your Petitioner conceives is properly the Business of the Jury; for admitting that the Thing discovered or invented is a separate and rightful Part of a Mans [sic] property the Owner is as much entitled to the usual Mode of Jury Trial as in any other kind of Estate whatever, and that Trial too in the State where he resides and where the Facts are best known.[235]

Fitch's reference to "both in Principle and Execution" in his quotation from the bill indicates that he was working from a copy of the bill as introduced rather than as passed by the House for this phrase was deleted from the version sent to the Senate. On March 22nd, Fitch's petition was referred to the committee considering the patent bill.[236]

Fitch's premise "that the thing discovered or invented is a separate and rightful part of a man's property" was undoubtedly one favored by his contemporaries, but it is not at all certain what it meant in the context of the patent statute being proposed. If one's invention or discovery is indeed a separate and rightful part of one's property, how is such a property right to be protected and what is its scope? In the absence of a specific grant of exclusive right, as by patent, how is such a property right to be maintained? If someone else independently makes the same invention or discovery, what is the effect on such a purported property right? In the absence of a specific grant of exclusive right, how is the property right to be protected if the invention or discovery is disclosed to the public or is in public use? The

---

[235] *Id.*; *Proceedings in Congress*, *supra* note 37, at 361.

[236] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 264-65; *Proceedings in Congress*, *supra* note 37, at 273.

inherent property right in invention that Fitch and other inventors argued for seemed to have some most peculiar properties that rendered it subject to alienation in ways that rights in tangible personalty or realty were not.[237]

Neither the Intellectual Property Clause of the Constitution nor the language of H.R. 41 spoke in terms of a property right, however defined. What Fitch failed to understand, not surprisingly for it was not yet clearly understood by either the English or American common law or legal profession, is that the property interest to be protected is not that present in the invention itself, but rather is that arising out of the exclusive right granted by the patent.[238] The property right resides in the patent rather than the invention itself, particularly once the invention becomes publicly known. The scope of that property right in turn depends on the scope of the patent coverage. Society, in this case as represented by the Congress, determines the nature and extent of the exclusive right and hence of the property interest. Fitch also discusses other concerns:

> [he] also informed the Senate of his apprehensionthat, under the Color of the general Terms of the Bill now before Congress, he may be liable to great Vexation and Expence, from Prosecutions, that may arise under the said Bill, by Persons, who, under Pretence of Prior Claims, may endeavor to obstruct him, in the Prosecution of the full Benefit of the Laws he hath fairly and justly obtained.[239]

---

[237] Twenty-three years later Jefferson would most eloquently set forth the reasoning why invention cannot, in nature, be a subject of property. Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), *in* 13 THE WRITINGS OF THOMAS JEFFERSON 326, 333-34 (Andrew A. Lipscomb ed., 1903).

[238] Except to the extent the invention is maintained in secrecy, but trade secret law was at best in its infancy in England and had yet to be developed in the United States.

[239] 6 DOCUMENTARY HISTORY, *supra* note 4, at 1639; *Proceedings in Congress*, *supra* note 37, at 362. By "laws" he is referring to the state patents he had obtained in Virginia, Delaware, New Jersey, New York, and Pennsylvania.

Here he raises an issue that the Congress had ignored and would basically continue to ignore; namely, the effect of a federal patent statute on existing state patents.[240] He notes that the Statute of Monopolies contains an express provision "that this Act or anything therein contained, shall not in any Wise extend, or be prejudicial, to any Grant, or Privilege, Power, or Authority whatsoever heretofore made granted allowed or confirmed, by any *Act of Parliament* now in Force, so long as the same shall continue in Force," and requests that the Senate add a similar clause to the patent bill pending before it.[241]

6. The Senate Committee Report

On March 29th the Senate committee presented a report on its recommendations with respect to H.R. 41, H.R. 44, and Fitch's petition, which report was accepted as amendments to the first mentioned Bill."[242] There is some confusion as to what this wording means, and even more confusion as to what the report's actual contents were. A copy of the report

---

[240] The issue would be addressed in a patent bill (H.R. 121) ordered to be prepared on December 9, 1790, and read for the first time on February 7, 1791. *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 625, 699-700. It would be read for a second time on February 8, 1791. *See id.* at 700. Thereafter no further action would occur on it during the first federal Congress. *See id.* at n.24.

[241] 6 DOCUMENTARY HISTORY, *supra* note 4, at 1639; *Proceedings in Congress*, *supra* note 37, at 362 (emphasis in original). Fitch actually wanted a provision that would ensure that no federal patent statute would take precedence over rights granted him by his state patents. He seems not to have understood that if Congress had given him literally what he asked for, i.e., making the quoted language from the Statute of Monopolies, with "Act of Parliament" replaced by "Act of Congress," a part of the patent bill actually enacted into law, it would not have accomplished his purpose.

[242] 1 DOCUMENTARY HISTORY, *supra* note 4, at 269; *Proceedings in Congress*, *supra* note 37, at 273-74.

exists, but it does not contain amendments as such.[243] One commentator suggests that the amendments referred to consisted (a) of a proposed section incorporating H.R. 44 into H.R. 41, and (b) probably some provision either granting Fitch's request that the optional jury trials be reinstated or alternatively giving Fitch the same special act status as was being proposed for Bailey.[244] Another commentator believes that the amendments referred to are the twelve amendments found on an annotated printed copy of H.R. 41 in the National Archives.[245] Yet a third reproduces the twelve amendments found on manuscript sheets in the National Archives as the whole report.[246] In turn, the first commentator argues that "[t]hese amendments were in all likelihood proposed during the debate on the bill" on March 30th, and that on this same day the Bailey and Fitch amendments were defeated.[247] Because the Senate debates during the First Congress were

---

[243] The editors of *Documentary History* state that a copy of the report "has not been located." 1 DOCUMENTARY HISTORY, *supra* note 4, at 269 n.80. However, a copy of this report, bearing a date of March 29, 1790, and said to be taken from the National Archives, Records of the United States Senate, 1st Congress, 2d Session, appears elsewhere. *See Proceedings in Congress, supra* note 37, at 362-65.

Accompanying this copy is a note by an unidentified author, probably Federico, saying:

> [t]he paper containing the report is not dated or endorsed and is indexed as 'Committee Reports and Papers. Report of the Committee on the bill granting Francis Bailey a patent.' It corresponds to no other report than the Committee report on both the patent bill and on Bailey's bill, and is evidently incompletely indexed.

Id. at 362-63 n.__ (no note number in original).

[244] *See Proceedings in Congress, supra* note 37, at 365.

[245] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 269 n.81.

[246] *See* 6 DOCUMENTARY HISTORY, *supra* note 4, at 1639-42.

[247] *Proceedings in Congress, supra* note 37, at 365.

ıot open to the public, what specifically happened may never be known. Iowever, it is likely that the manuscript sheets noted above do reflect the mendments attached to the report of March 29th and that for some reason he report and the amendments became separated when placed in the Jational Archives and were never properly cross-indexed.[248] Be that as it nay, on March 30th the Senate record indicates that the bill was read for the hird time and that the Senate passed it with twelve amendments and sent t back to the House.[249]

Irrespective of the exact nature of the amendments accompanying it, he Senate committee report is exceedingly useful for the interpretation it ives of the proposed bill in the context of the committee's understanding of ontemporaneous English patent practice. In this regard, it states that "[t]he ill depending before the House of Representatives for the Promotion of seful Arts is framed according to the Course of Practice in the English 'atent Office" with but two exceptions.[250] Those two exceptions, in the view f the committee, involved the manner in which caveats are handled and the equirement for advertising that a patent application has been filed so as to ermit objection to be made if warranted.[251]

---

[248] It seems clear that the amendment documents discussed *supra* note 247 are the missing amendments from the committee report.

[249] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 271-72; *Proceedings in Congress*, *supra* note 37, at 274.

[250] *Proceedings in Congress*, *supra* note 37, at 363. Unfortunately, this introductory material might in and of itself lead to questions concerning the usefulness of the report. Thus, the reference to the "English Patent Office" is highly misleading because at this time and for many years thereafter there was no English Patent Office as such. Rather, English patents were obtained by the complex process described by Gomme, *supra* note 93, at 16-18, entailing independent visits to five or six separate offices. Aside from this somewhat shaky beginning, however, the report does appear to give a good American understanding of the contemporaneous English practice.

[251] The committee's views on the need for the second exception are set forth in *supra* note 95.

According to the report, the Statute of Monopolies was, at that time, so strictly construed in England:

> that if an Inventor discovers [i.e., discloses] his Secret to any second Person, it is in the power of him [i.e., that second person] to prevent a Patent issuing by entering a Caveat in the Attorney General's Office, when if two Persons appear to have discovered the same thing, it is held not to be *new* within the meaning of the Statute — hence Inventors are obliged to use the utmost Secrecy & often do file in the Office their crude ideas even before an Experiment is made to ascertain the Utility of them — and a Patent is obtained as a matter of Course unless a Caveat is filed; the Patentee taking it upon his Peril that *his Suggestion is true* & the Specification which he is to file within thirty Days after *be exact* — for any Person may sue out a Scire Facias to repeal the Patent for false Suggestions or in an Action brought [against] him for the Penalty may give Evidence that the Specification is not exact. To enable a Defendant to do this & at the same time, that the World may know what Patent Rights are granted it is absolutely necessary that the Office should be open to the Inspection of the World.[252]

Whether this notion that one who derives knowledge of an invention from the inventor can prevent the inventor from obtaining a patent through the

[252] *Proceedings in Congress, supra* note 37, at 363 (emphasis in original).

caveat system was the perception or the reality in England at this time is unclear.[253] What is important is that it was believed to be the reality.[254]

The report further stated that the incorporation of "or those who derived their knowledge thereof from or under them" in section 3 of the proposed bill constituted a just and essential distinction from this supposed English practice "for it is absurd that an Inventor should lose the Benefit of a Patent Privilege merely because he had made Experiments to prove the Utility of the Invention before he applied for a Patent & in the Course of his Experiments had disclosed his Secret to others."[255] The committee report, while accepting this premise as a wise and useful one, did not recognize that by so doing another issue had been created; namely, that of how long an inventor may appropriately delay in patenting his or her invention once it has been disclosed to others.

---

[253] If it was in fact reality then it represented a perversion of the role of the law officers who were tasked in a caveat proceeding with determining whether the petition should proceed. But the law officers were not really equipped to decide questions of novelty or priority. Accordingly, it would have been quite easy for them to abdicate any responsibility by simply holding that when any two persons claim the same invention, it is not new within the meaning of the Statute of Monopolies. The net effect would then be to cause the petition to lapse and no patent to issue.

[254] It also is consistent with an earlier view expressed in England during the eighteenth century. Davies points to a letter addressed to the Secretary of State in 1710 which "raised in a direct manner the issue of the dangers of piracy to which inventors were exposed by the premature disclosure of the nature of their inventions before the grants of patents to them." D. Seaborne Davies, *The Early History of the Patent Specification*, 50 L. Q. REV. 86, 92 (1934).

[255] *Proceedings in Congress, supra* note 37, at 363.

7. The Senate Amendments

The specific nature of the twelve amendments made by the Senate is known directly from several sources.[256] All but one of these amendments were accepted by the House and were therefore incorporated into the Patent Act of 1790. Certain of the Senate amendments were minor in nature, while the others were a great deal more substantive. Indeed, it reasonably can be argued that several of the proposed Senate amendments were such as to fundamentally change the nature of the patent system contemplated for the federal government.

As passed by the House, H.R. 41 was a registration system closely modeled after the English practice. It contained a caveat procedure predicated on advertising at several localities a general description of the invention for which patent protection was sought and allowing any interested member of the public to appear and oppose the issuance of the

---

[256] The amendments are set forth in several sources. *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 271-72 n.91; 6 DOCUMENTARY HISTORY, *supra* note 4, at 1639-42; *Proceedings in Congress*, *supra* note 37, at 366-68. It is now reasonably apparent that the source for the amendments given in both Volume 6 of *Documentary History* and in *Proceedings in Congress* is the same. Those in volume 1 of *Documentary History* are said to be taken from the "smooth journal" of the Senate, whereas those in *Proceedings in Congress* are said to be those in papers found in the National Archives consisting of: (a) a printed copy of the bill with cancellations and insertions indicated thereon (this is most likely the annotated printed copy mentioned in volume 1 of *Documentary History*, *supra* note 4, at 269 n.80); (b) a sheet containing a list of amendments and directions for inserting amendments; (c) a sheet containing the text of amendments A to G, with lines crossing out amendment C; and (d) a sheet containing the text of amendment CC which was substituted for amendment C. The amendments given by these two sources are identical except for the fact that the three manuscript sheets do not show the second and third amendments that were actually made, and the content of the eleventh amendment is slightly different, i.e., in the smooth journal, it reads "strike out the words 'for making out the advertisement one Dollar'" whereas the manuscript sheets show it as "strike out the words 'for making out the advertisement' & 's'."

patent.[257] In essence, the Secretary of State played one of the major roles of the English law officers. If no one appeared to oppose the petition for the patent, he was required to proceed with the process of issuing the patent. If objections were presented, he determined the sufficiency thereof. If either the petitioner or an opposer were dissatisfied with the determination by the Secretary, he or she was authorized to have the matter referred to three referees who would then decide if the patent should be granted. The referees also were authorized to determine priority in an interference if the opposer also claimed to be the inventor of the invention in question.[258]

The Senate amendments changed all that. The Senate did away with both the caveat process and the right of appeal to referees.[259] In their place, the Senate required the petition for patent to be presented to a three-member board consisting of the Secretary of State, the Secretary for the Department of War, and the Attorney General, any two of which were authorized "if they shall deem the Invention or Discovery sufficiently useful and important, to cause Letters patent to be made out in the name of the United States."[260] What this change effectively did was create an examination system, as opposed to a registration system, albeit one that placed a considerable

---

[257] This was in contradistinction to the English practice of registering caveats from individuals and notifying them of petitions that fell within the coverage of the particular caveat so that they might oppose issuance of a patent.

[258] *See* 6 DOCUMENTARY HISTORY, *supra* note 4, at 1635.

[259] Fitch must have been distraught. Not only had the Senate rejected his cherished right to a jury trial on the issue of patentability and priority of invention, it had also rejected appeal to even a panel of three referees. *See id.* at 1635 n.11.

[260] 1 DOCUMENTARY HISTORY, *supra* note 4, at 271 n.91. Flexner states that this "patent commission" was proposed at the urging of John Stevens of New Jersey. *See* JAMES THOMAS FLEXNER, STEAMBOATS COME TRUE 192 (1944).

degree of discretion in the board through the use of the phrase "sufficiently useful and important."[261]

Although the Senate retained the phrase "not before known or used," it deleted the qualifier "in the United States" which had been inserted by the House at President Washington's request. Its reasons for doing this were not stated; however, it had informally received the Wells petition from the House along with H.R. 41,[262] and must have noted that the deletion of the original content of section 6 was fully in accord with the arguments against patents of importation presented by Wells. Wells had limited his arguments in his petition and letter to the language of section 6, apparently not realizing that the qualifier "in the United States" as set forth in sections 1 and 2 also would act to permit patents of importation. Madison also seems to have addressed his constitutionality argument only at section 6. For whatever reason, the House acted literally with respect to the concern expressed in the petition and failed to recognize that the deletion of "in the United States" as a qualifier to "not before known or used" also would be required to effectively preclude patents of importation. Aware that the House had acted with insufficient precision, the Senate viewed this amendment as merely a house-keeping amendment to implement the intent of the House with which it concurred.[263]

While there would continue to be argument on the point for several decades, the rather straightforward inference that the courts would subsequently draw was that Congress intended that novelty in the United

---

[261] The statement by Karl Lutz that "[a]pparently the 1790 statute as originally drafted had provided for examination of applications by the Secretary of State alone" is incorrect. Karl B. Lutz, *Evolution of U.S. Patent Documents*, 19 J. PAT. OFF. SOC'Y 390 (1937). Neither H.R. 10 nor H.R. 41 contemplated examination.

[262] There is a notation to this effect in the file found in the National Archives. The folder in which the petition was transmitted contains the notation: "returned to Clerk, H. of Rept. from Secretary Senate." *See supra* note 204 at 783 n. 105 (citation omitted).

[263] Note that the Senate had at least inferentially informed President Washington that it viewed patents of importation with less favor than it did patents for native invention. *See supra* text accompanying note 138.

States patent system precludes patents of importation for inventions known and used abroad.[264] The retention of "not before known or used" created an interpretational problem with respect to the examination duties of the board. In inquiring into whether the invention is "sufficiently useful and important" to merit a patent, was the board was also expected to ascertain whether the invention had in fact been known or used before in places other than the United States? If so, how was it to accomplish this? It was difficult enough to have a fair knowledge of what was transpiring in the United States, much less the rest of the world. The board would find this a most formidable problem.

The House version of H.R. 41 provided that certified copies of the specification would be competent evidence in all courts, but had not indicated whether the specification could be made available in the absence of litigation.[265] The Senate amendments remedied this problem through the insertion of a clause "that upon the application of any person to the Secretary of State for a copy of any such specification, and for permission to have similar model or models" made, the Secretary is obligated to provide the copy and to reproduce the model or models at the applicant's expense.[266] The public availability of the specification during the term of the patent was now to be set by statute. This provision was something entirely new in the world.

---

[264] *See, e.g.*, Reutgen v. Kanowrs, 20 Fed. Cas. 555 (Case No. 11,710)(C.C.D.Pa. 1804); Dawson v. Follen, 7 Fed. Cas. 216 (Case No. 3670) (C.C.D.Pa. 1808).

[265] *See* 6 DOCUMENTARY HISTORY, *supra* note 4, at 1634-35 n.11.

[266] 1 DOCUMENTARY HISTORY, *supra* note 4, at 271 n.91; *Proceedings in Congress*, *supra* note 37, at 367. A proposal originally had been made in the Senate obligating the Secretary of State to "cause copies of such specification together with similar models to be made at the public expense, and lodged in the principal University, College or Seminary of Learning in each State, whenever the same shall be applied for by such University, College, or Seminary of Learning." *Id.* More mature reflection apparently convinced the Senate that this proposal might entail considerable public expense and it was accordingly defeated.

In principle at least, English specifications could be obtained during the term of the patent, but this was easier said than done. They were not published, and were enrolled randomly in any of three separate offices. It was necessary to know the name of the patentee in order to have a search conducted. Fees were required to be paid for both the search and copying of the specification. There was no mechanism for searching by topic or technology, although a caveat could be entered (again for a fee) permitting one to be informed of the existence of patent applications involving a particular topic.[267] It remained to be seen whether a statutory provision of this type would constitute a remedy for the defects in the English practice.[268]

Just as remarkable as the change from a registration to an examination procedure was the Senate amendment setting forth a method for obtaining compulsory licensing in the event "the Grantee of such Patent shall neglect to offer for sale within the United States a sufficient number of such manufacture, Engine, Machine, Art or Device, or any improvement therein or shall sell the same at a price beyond what may be judged an adequate compensation."[269] The idea of compulsory licensing was not new; it had been tried elsewhere with regard to patenting,[270] and was a feature of several of the state copyright laws that had been enacted. Because of the close similarity in language, it is likely that the Senate compulsory licensing provision was modeled on one of these state copyright statutes.[271]

---

[267] *See* Christine MacLeod, *The Paradoxes of Patenting: Invention and Its Diffusion in 18th- and 19th-Century Britain, France, and North America*, 32 TECH. & CULTURE 885, 897 (1991); JEREMY, *supra* note 217, at 45, 47.

[268] Patentees strongly opposed the enforcement of this provision and would find a sympathetic ear in William Thornton, the first superintendent of the Patent Office. *See* Daniel Preston, *The Administration and Reform of the U. S. Patent Office, 1790-1836*, 5 J. EARLY REPUBLIC 331, 340-42 (1985).

[269] 1 DOCUMENTARY HISTORY, *supra* note 4, at 272 n.91; *Proceedings in Congress*, *supra* note 37, at 367-68.

[270] *See* Prager, *supra* note 11, at 324 n.36.

[271] *See Proceedings in Congress*, *supra* note 37, at 369-70.

8. Jefferson And The Senate Amendments

An intriguing question involves who was responsible for these major changes by the Senate, all but one of which became features of the Patent Act of 1790. As with most things involving the early patent law, Jefferson has been proposed as the driving force behind them.[272] This, however, was almost certainly not the case. The basis for the contention that Jefferson was involved is the coincidence of his arrival in New York on March 21st to assume his duties as Secretary of State and the fact that the bill with its major amendments was reported out of committee by the Senate on March 29th, coupled with his supposedly "obvious interest in the bill as its future executor" and the nature of the amendments,[273] and in particular the supposed removal of the authorization for patents of importation.

The known facts, while not demonstrating who was responsible for the amendments, rather conclusively indicate that Jefferson was not. First, as has been shown, it was the House that determined to remove the authorization in the original section 6 for patents of importation, and this occurred almost a fortnight before Jefferson arrived in New York to commence his duties. Second, Jefferson spent the greater part of his first week in New York "in almost unbroken conference with" President

---

[272] *See* Dood, *supra* note 206, at 196.

> Clearly, the fundamental changes made by the Senate to the House patent bill, by making patents more difficult to win, brought the bill more into conformity with Jefferson's own views on the subject, and with so much to suggest his involvement in the formulation of the first patent law, and nothing to indicate to the contrary, it seems almost unavoidable to conclude that he was, indeed, the author of these features of our first patent law.

Id. "The first patent law . . . was drawn in conformity with Jefferson's ideas of what it should be." Levi N. Fouts, *Jefferson the Inventor, and His Relation to the Patent System*, 4 J. PAT. OFF. SOC'Y 316, 322 (1922).

[273] Dood, *supra* note 206, at 195.

Washington.[274] Third, as he informed Washington in September 1792, he began his service as Secretary of State with the determination "to intermeddle not at all with the legislature," and in the subsequent two years had broken his rule only once, in a matter having nothing to do with the patent law.[275] While Jefferson may well have been aware of the changes made by the Senate, he did not initiate them.

9. Final Actions

On April 3rd, the House considered the Senate amendments and accepted all but the tenth one pertaining to compulsory licensing.[276] After considerable debate, the Senate on April 5th accepted the House view and receded from the tenth amendment.[277] The bill as amended was enrolled and signed by the Speaker of the House on April 7th,[278] signed by the Vice President (on behalf of the Senate) on April 8th,[279] and was given to

---

[274] LEONARD D. WHITE, THE FEDERALISTS: A STUDY IN ADMINISTRATIVE HISTORY, 1789-1801, at 103 (1948).

[275] *Id.* at 95 (footnote omitted). If so, Jefferson was not being entirely candid in this regard, because there is good reason to believe that he drafted and caused to be introduced in February 1791 the first bill to replace the Patent Act of 1790.

[276] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 354-55; *Proceedings in Congress*, *supra* note 37, at 274-77. It appears that the House was not enamored of "investing the judges of the Supreme Court with a power to determine the compensation which persons shall receive for their inventions." *Id.* at 275 (quoting 2 ANNALS OF CONGRESS, *supra* note 198, at 1520).

[277] *See* 1 DOCUMENTARY HISTORY, *supra* note 4, at 277-78; *Proceedings in Congress*, *supra* note 37, at 275.

[278] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 360; *Proceedings in Congress*, *supra* note 37, at 276.

[279] *See* 3 DOCUMENTARY HISTORY, *supra* note 4, at 360 n.28.

President Washington on April 9th.[280] On April 10th he signed it into law.[281] Obviously, things happened on a faster track in 1790 than they do today.

V. PERSPECTIVES

The Patent Act of 1790 represented a critical first step in the transition from patent custom to patent system in the United States.[282] At the time it was enacted, the English patent custom was in a tremendous state of flux. The Patent Act of 1790 represented a first attempt to codify into law the recent common law opinions concerning the role of the specification and the changing definition of novelty with respect to the role of publication. At the same time, it reflected a peculiarly American approach to the patent law.[283]

This first patent statute has received mixed reviews. Cooke suggests that it "was, along with the Judiciary Act of 1789, one of the most important

---

[280] *See id.*

[281] *See id.* at 363.

[282] In a seminal work, MacLeod has sought to explain how a *patent* system developed in England. While her major emphasis may be said to be on the administrative aspects of that development, she makes abundantly clear that the creation of an effective patent system as such was dependent on the development in consonance of applicable legal principles under a rule of law. *See* MACLEOD, *supra* note 75. She begins her work with an admission that "[b]etween 1660 and 1800 the 'patent system' was something of a misnomer." *Id.* at 1. What was true in England was also true in the United States. As late as 1826 an American commentator would strongly question whether a patent "system" yet actually existed in the United States. *See* P. A. Browne, *Mechanical Jurisprudence--No. 7*, 2 THE FRANKLIN J. AND AM. MECHANIC'S MAG. 19, 21 (1826).

[283] Very little has been published concerning the immediate background and events involved in the drafting and enactment of this first patent statute. I have sought here to provide a detailed overview and perspective from which historians and those in the patent profession may evaluate and analyze not only what actually happened but how and why it happened.

acts of the First Congress."[284] Currie, however, classifies it as being enacted under one "of the more mundane powers entrusted to [Congress] by the Constitution."[285] In the context of its time, neither characterization is particularly apropos.

The Intellectual Property Clause was included in the Constitution for a very specific reason: to give the Congress express authority to grant the limited-term monopolies known as patents and copyrights. In the tenor of the times, monopolies were highly suspect, and the delegates to the Constitutional Convention thought it necessary to explicitly grant such authority to the Congress to assure that patent and copyright protection could be implemented at the federal level. Simply put, the power to grant the limited-term exclusive rights, even of such a presumably beneficial sort, was not assumed to be routinely available to the Congress.[286]

Enacting patent legislation was not one of the top priorities of the First Congress.[287] This fact should not be interpreted to mean that such legislation was not considered to be important, but only that with so much on its plate the Congress had to determine where it would spend its time first, and other legislation and congressional business took priority. Nonetheless, when the Congress did get around to enacting such legislation, it was not met with favor. Neither inventors nor the high government officials responsible for issuing patents were pleased with the Act of 1790.[288] It lasted less than three years before the Congress repealed it and replaced

---

[284] JACOB ERNEST COOKE, TENCHE COXE AND THE EARLY REPUBLIC 151 (1978).

[285] Currie, *The Constitution in Congress: Substantive Issues*, supra note 1, at 822.

[286] For a discussion on this point see Waltercheid, *supra* note 9, at 29-38.

[287] *See supra* text accompanying notes 115-18.

[288] The primary source of dissatisfaction was that government officials entrusted with determining whether patents should issue, i.e., the Secretary of State, the Secretary of War, and the Attorney General, simply did not have the time to do the job satisfactorily. *See The Patent Act of 1793*, *supra* note 136, at 76.

: with an Act creating a significantly different patent system; only 57 patents ssued under the Patent Act of 1790.[289]

Perhaps the most important aspect of the Act of 1790 was that it nsured that the United States would in fact have a patent system and that hat system would not slavishly adhere to the principles of its British ounterpart but instead would incorporate uniquely American philosophies egarding the approach to be taken to inventive rights. Certain of its basic recepts, including the requirement that the specification teach one skilled n the art to make and use the invention, and that novelty is predicated on vhat is known and used throughout the world, remain cornerstones of \merican patent law today. It demonstrates not only how much has hanged in the patent law, but how much remains the same.

There remains the intriguing question as to why Madison argued, nd the Congress apparently acquiesced, that patents of importation were nconstitutional. Unfortunately, neither Madison nor Coxe, nor apparently nyone else, has set forth Madison's rationale for believing that the ntellectual Property Clause forbade patents of importation. Madison did nform Coxe that the Constitutional Convention deliberately refrained from roviding any provision, other than that set forth in the Intellectual Property lause, for encouraging invention and that"the latitude of authority now vished for" by Coxe (the ability to grant premiums, including land), "was trongly urged and\expressly rejected."[290] But Madison did not indicate that he Convention had ever addressed the issue of patents of importation, and here is nothing in the records of the Convention, including Madison's oluminous notes, which in any way suggests that the Framers consciously ntended to preclude Congress from having authority to grant patents of mportation.

Rather, a plausible argument can be made that the intent of the ramers was to give to the Congress the same authority as the English crown ad, under the common law, to grant limited-term exclusive rights to

---

[289] *See id.* at 244.

[290] 13 THE PAPERS OF JAMES MADISON, *supra* note 223, at 128.

authors and inventors. Because the common law had long interpreted the phrase "first and true inventor" in the Statute of Monopolies to include the first introducer or importer of new technology into the realm, there is no reason to believe that the Framers intended the term "inventors" in the Intellectual Property Clause in a more restrictive sense.

Madison most likely drafted the Intellectual Property Clause,[291] and seems never to have stated or otherwise indicated that the granting of patents of importation would not promote the progress of science and useful arts. Rather, his letter to Coxe at least implies that he based a part of his concern about constitutionality on the express rejection by the Constitutional Convention of certain proposals presented on August 18, 1787, by him and Charles Pinckney, to wit, "to encourage by premiums andthe advancement of useful knowledge and discoveries," and "to establish public institutions, rewards and immunities for the promotion of agriculture, commerce, trades and manufactures,"[292] both ofwhich could have readily been interpreted as sanctioning patents of importation.[293]

In addition, Madison may have applied a strict constructionist meaning to the term "inventors" as used in the Intellectual Property Clause. The primary meaning of "invention" had been changing in the second half of the eighteenth century. Although the term could still encompass the discovery of something new in a broad sense of something known elsewhere but not in the locale where the discovery is transmitted, it was more

---

[291] *See* Waltercheid, *supra* note 9, at 51.

[292] JAMES MADISON, NOTES ON DEBATES IN THE FEDERAL CONVENTION OF 1787, at 477-78 (1966).

[293] More than forty years later he would expressly reject as a basis for constitutional interpretation the fact that a particular proposal was rejected by the Convention. Letter from James Madison to Professor Davis (1832), *in* 3 THE RECORDS OF THE FEDERAL CONVENTION OF 1787, at 520 (Max Farrand, ed., 1966). For a discussion on this point, see Walterscheid, *supra* note 9, at 27-29.

ɔmmonly understood to mean the original discovery of something.[294] 'learly, if this latter meaning was given to the term, then "inventor" could ot encompass one who merely introduced or imported technology already nown outside the United States.

There is little doubt in today's world that such an interpretation ıakes economic and legal sense, but whether it did so in 1790 is seriously pen to question.

[294] There had been no change in the actual definitions given to "invention" between the 1755 and the 1805 editions of Samuel Johnson's dictionary, but the ordering sequence had changed. As Lutz points out, in the 1755 edition, the sequence was: "1. Fiction; 2. Discovery; 3. Excogitation, an act of producing something new,; 4. Forgery," whereas in the 1810 edition Johnson merged the first and fourth items, and reversed the order of the first and third definitions. Karl B. Lutz, *Are the Courts Carrying Out Constitutional Public Policy on Patents?*, 34 J. PAT. OFF. SOC'Y 766, 772-73 (1952) (quoting SAMUEL JOHNSON, A DICTIONARY OF THE ENGLISH LANGUAGE (1755 and 9th ed. 1805)). "Excogitate" meant to derive something by the power of thinking which seemed to suggest originality as a component of invention rather than merely the discovery of something previously unknown to the inventor but known or used elsewhere. *See id.*

Subscription Information

Published by the American Intellectual Property Law Association and distributed to all members *gratis*.

Non-Member and Law Library Subscription (per year)	$50.00
Foreign Rate (per year)	$80.00
Single Issue Price	$15.00
Double Issue Price	$30.00

Requests for subscription by non-members and law libraries, for back issues, and for single issues are to be addresed to AIPLA Headquarters, 2001 Jefferson Davis Highway, Suite 203, Arlington, VA 22202-3694. Telephone: (703) 415-0780. Facsimile: (703) 415-0786.

Copyright clearance and request for re-publication rights are to be directed to AIPLA Headquarters.

Guidelines for Authors

1. Manuscripts relating to intellectual property matters may be submittted for consideration for publication.

2. Authors should submit three copies of each manuscript to the AIPLA Quarterly Journal, 2001 Jefferson Davis Highway, Suite 203, Arlington, VA 22202-3694. Submission of a manuscript implies that it is an original, unpublished work.

3. Manuscripts (text and footnotes) should be typewritten and double-spaced with one inch margins. All pages should be consecutively numbered. Footnotes should be numbered consecutively with arabic numbers. The total number of pages including the text and footnotes should be between 25 and 50 pages.

4. In preparing text and footnotes, authors should consult the style presented in *The Bluebook: A Uniform System of Citation* (The Harvard Law Review Association ed., 16th ed. 1996). Parallel citation to U.S.P.Q. should be included where applicable. For questions of literary style not included in *The Bluebook* authors should consult *The Chicago Manual of Style* (University of Chicago Press, 14th ed. 1993).

5. All citations should be placed in the footnotes, even if the authority is mentioned in the text.

6. The editors reserve the right to make alterations and corrections for grammar and syntax.

7. To preserve professional objectivity, it is assumed that, absent appropriate disclosure, an article is not based upon a pending or recently concluded litigation in which the author(s) or the authors' firm are or were involved as counsel of record.

8. For additional information, please contact the Editor-in-Chief, Professor Joan E. Schaffner, The George Washington University Law School, 2000 H Street, N.W., Washington, D.C. 20052. Telephone: (202) 994-7040. Facsimile: (202) 994-9817. Internet: jschaf@main.nlc.gwu.edu.