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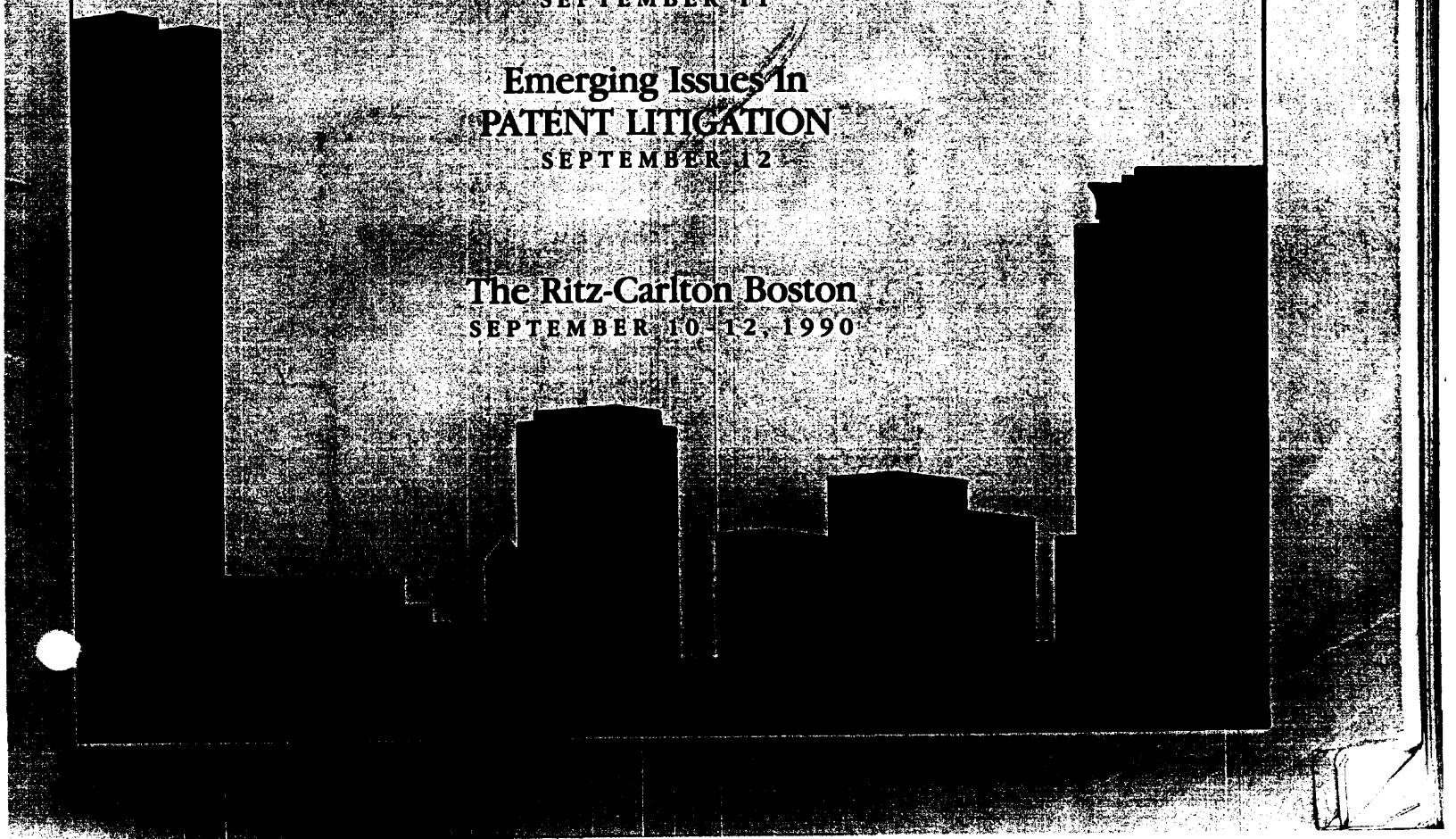
ISSUES

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GORE V. GARLOCK AND THE RESPECTIVE RIGHTS OF TRADE SECRET USERS AND PATENTEES

"A Constitutional award to one inventor does not mandate a Constitutional penalty to another." Bennett.

I. Introduction

Patent law harmonization discussions at the World Intellectual Property Organization (WIPO) in Geneva have rekindled the debate about the respective rights of trade secret users and patentees, or more particularly, the rights of the first inventor/trade secret user as against those of the second inventor/patentee with respect to the same invention.

Article 308 of the proposed Treaty on the Harmonization of Patent Laws provides that:

> ". . . the owner of a patent shall not enjoy, under that patent, rights against activities within the scope of the patent, not authorized by him, of a person (the prior user) who, at the date of the filing of the application, or where priority is claimed, at the priority date of the application on which the patent is granted, and with a view to industrial or commercial exploitation,
>
> (i) was actually engaged in such activities, or
>
> (ii) was engaged in serious preparation, involving, from the viewpoint of the prior

> user, significant investment, for such activities,
>
> in the territory and any other place or space to which the sovereignty of the Contracting State extends and in or for which State the patent is granted. . . ."

According to an article by Angelo Notaro entitled "Patents and Secret Prior User Rights: A Comparative View" (PATENT AND TRADEMARK REVIEW, Vol. 81 No. 9, p. 347, 348, Sept. 1983), "provisions permitting the continuation of use initiated prior to the effective date of a patent application are found in the laws of more than thirty countries" and in some of those they have a long history dating back to the last century.

For instance, Article 79 of the Japanese Patent Law provides that:

> "A person who, being unaware of the contents of an invention under patent application, made such invention himself, or acquired the knowledge of it from a person who being unaware of the contents of an invention under patent applications, made such invention, and who has been engaged in a business of working such invention or has been making preparations for such business in Japan at the time of filing of the application for patent is entitled to a nonexclusive license under the patent granted to such person."

and the statutory provision in Germany, which is typical, reads:

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

Incidentally, the reasons behind the lack of a first-user right in the U.S., in contrast to other countries where such rights exist, has a lot to do with the

"recognition of a limited novelty instead of an absolute novelty system and the recognition of a right to a patent in the first-to-invent, rather than the (first-to-file) wherein the first inventor is a *de jure personage* and not necessarily the actual first inventor" (Notaro, *supra* at 357).

II. Statutory Precedents and Proposals

Historically, recognition of the prior-use right was embodied in a statutory provision, at one time, namely, Section 7 of the Patent Act of 1836 but it was later removed. And two of the Patent Reform Bills introduced over the past twenty some years proposed such a right, i.e., S.1042 of 1967 vintage (90th Congress), which provided that a prior good faith inventor would have a personal defense as a "prior user" provided his actions had not caused a statutory bar effective against a subsequent inventor (Section 274) and H.R. 12873 (94th Congress, 1976), which would have made prior commercial manufacture of a claimed product or process, or substantial preparations therefor, a defense in any patent infringement action (Section 282(b)). But these bills were not enacted.

In 1979, the Advisory Subcommittee on Patent and Information Policy of the Advisory Committee on Industrial Innovation recommended that the U.S. patent law be revised to provided that any prior use which is not obvious on inspection or analysis of a product, sold or available to the public, not bar patentability. In addition, it was suggested that the prior user be allowed to continue using the invention. (Final Report on Patent Policy, Feb. 6, 1979). Nothing became of this proposal, either.

In 1982 the Patent, Trademark and Copyright (PTC) Section of the American Bar Association passed the following favorable resolution:

> "Resolved, that the Section of Patent, Trademark and Copyright Law favors in principle legislation providing an *in personam* right or right of prior public user to the first inventor who elects to keeps his invention a trade secret, and further provides that the patent on the same invention which was independently discovered by a subsequent inventor shall not be held invalid based on the trade secret public use of the first inventor."

This resolution likewise went no place.

Interestingly, the PTC Section passed another resolution at a special harmonization meeting in Washington in September of 1989 opposing any right of prior user. This was done after a debate in which the prior favorable resolution was not only disregarded but statements were made that the PTC Section always had come out against any such provision.

III. Prior User Rights in Special Situations

Apart from historical precedents and recent legislative proposals, there are areas where something akin or tantamont to a prior user right already does exist. Notaro, *supra* at 357-361 lists a veritable litany of statutorily- or decisionally-created "co-uses", "forced sharing of inventions", "estoppels", "implied licenses", "intervening rights", "judicial recognition of prior user rights", etc. as, for example, shoprights, temporary uses of inventions on vessels or aircrafts, intervening rights in reissue cases, co-uses in supplier/customer, manufacturer/distributor, contractor/contractee relationships, public interest situations where injunctive relief is denied, certain uses by government uses under the Clean Air and Atomic Energy Acts, compulsory licenses as a remedy for antitrust violations, etc.

Richard E. Bennett ("The Trade Secret Owner Versus the Patentee of the Same Invention: A Conflict?", 57 JPOS, 742, 758, (1975)) in particular, dwells on "The Reissue Analogy" and points out that:

> "The philosophy behind the reissue provision is that it would be unfair to enjoin a party from using that which he had no reason to believe would contravene a patent right. The equities are strengthened by a showing that the user has made substantial investment in the business sought to be enjoined by the patentee. Although his rights have not 'intervened' but are actually prior to the effective date of the patent, these are precisely the considerations which ought to militate against enjoining the trade secret owner who has previously used and probably invested large sums in creating and using the process duplicated later by the patentee.
>
> If the purpose of the patent system is to promote reliance on patents by inventors so that the invention is promptly disclosed and yet that very

> system in a reissue situation envisions the possibility that intervening rights should, for equitable reasons, be respected, it makes no sense to urge that the patent system cannot tolerate concurrent use by the first inventor. Moreover, the intervenor and the trade secret owner share the common distinction of not owing knowledge of the invention to the patentee. Unlike the rest of the members of society who first learn the art from the patent, the intervenor and the trade secret owner are already in possession of that information. It would seem somewhat anomalous and arbitrary to sanction continued use of the intervenor and yet prohibit use by the trade secret owner under similar circumstances where the underlying policy considerations are analogous."

IV. Continuation of Prior Use Due to Invalidation of Patent Over the Prior Use

This is of course also true in a manner of speaking when the patent of the second inventor is invalidated due to the existence of the prior use or invention. It is a curious fact that there is actually no case on the books where as first inventor/trade secret owner has been enjoined from practicing his invention/trade secret by a late comer patentee even though there are literally scores of cases where the second inventor prevailed on the issue of priority in an interference context. Notaro confirms this by stating that "no U.S. court has dealt with the prior user issue by deciding to let use continue without invaliding the patent" (Notaro, *supra* at 361) and, of course, neither the Supreme Court nor the Court of Appeals for the Federal Circuit has yet resolved the question of which of the two parties — the trade secret user or the patentee — has a superior right to the invention.

However, a spate of District/Circuit Court decisions cut the Gordian knot by holdings in favor of the first inventor/trade secret owner. The *Dunlop* case (*Dunlop Holdings Ltd. v. Ram Golf Corp.*, 188 USPQ 481 (7th Cir. 1975, *cert den.* 189 USPQ 256, 1976)), is undoubtedly the key case — clearly a landmark decision. It held that a noninforming use of an invention with secrecy intended, bars a patent to a subsequent inventor and it invalidated U.S. Patent No. 3,454,280 on a new kind of golf ball under Section 102(g).

The Seventh Circuit Court of Appeals in affirming the lower court said that an important distinction must be made between a "secret" use and a "noninforming" public use. Though the inventor didn't tell what made his golf balls unusual, he certainly made every effort to market them and they were in widespread public use before February 1965 (the date of Dunlop's British application, the earliest date it could claim under 36 U.S.C. §104).

The Court gave:

> "three reasons why it is appropriate to conclude that a public use of an invention forecloses a finding of suppression or concealment even though the use does not disclose the discovery. First, even such a use gives the public the benefit of the invention. If the new idea is permitted to have its impact in the marketplace, and thus to 'promote the progress of science and useful arts' it surely has not been suppressed in an economic sense. Second, even though there may be no explicit disclosure of the inventive concept, when the article itself is freely accessible to the public at large, it is fair to presume that its secret will be uncovered by potential competitors long before time when a patent would have expired if the inventor had made a timely application and disclosure to the Patent Office. Third, the inventor is under no duty to apply for a patent; he is free to contribute his idea to the public, either voluntarily by an express disclosure, or involuntarily by a noninforming public use. In either case, although he may forfeit his entitlement to monopoly protection, it would be unjust to hold that such an election should impair his right to continue diligent efforts to make the product of his own invention."

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

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

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

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

Also to be noted in this context are such cases as *Continental Copper and Steel Industries, Inc. v. New York Wire Co.*, 196 USPQ 30 (M.D. Pa. 1976), where the court, unlike in the two proceeding in cases, discussed at length the requirements and the burden of proof of a Section 102(g) defense but struck down Continental's patent nonetheless. This also happened in *Norris Industries, Inc. v. The Tappan Co.*, 193 USPQ 521 (C.D. Ca. 1976), aff'd 203 USPQ 169 (9th Cir. 1979).

However, *Philip Morris v. Brown & Williamson Tobacco*, 231 USPQ 321 (D.C. M.D. Ga. 1986), a failed experiment was held not to be available as prior art under 35 USC §103 by virtue of Sec. 102(g) in reliance on *Kimberly Clark v. Johnson & Johnson*, 223 USPQ 603 (CAFC 1984). (Hopefully, aberrations like *Westwood Chemical* and *Grain Products* are a thing of the past and this aspect of the law stands settled.)

According to some of the prior Section 102(g) decisions, the prior

activities, even if abandoned, are nonetheless evidence of the level of ordinary skill in the art at the time the later invention is made and can thus be used in a Section 103 context (*International Glass v. United States*, 159 USPQ 434 , Ct. Cl. 1968). Thus, the latecomer patentee may also face Section 103, Section 102(g)/103 and likely also Section 102(a) and (b) defenses.

Interestingly, some older, pre-1952 cases have holdings in a similar vein. In the 1928 Supreme Court decision, *Corona Cord Tire Co. v. Dovan Chemical Corp.*, 276 U.S. 358 (1928), a patent was invalidated over prior experimental use and in *United Chromium v. General Motors Corp.*, 85 F.2d 577 (2d Cir. 1936), *cert den.* 300 U.S. 674 (1936), a patent was struck down over prior private use.

With respect to such decisions Roger Milgrim had this to say on the subject:

> "Actually as a non-patent lawyer, I am not terribly shocked by the result, for this reason: It seems to me that one of the key things that the courts expect from a patentee is that the patentee was the inventor. If you establish that the patentee was in fact not the inventor, you get into a very murky philosophical, economical and moral area as to whether a second 'discoverer' should be given a 17-year period of exclusivity." (Proceedings ABA-PTC Section Meeting, Chicago, August 8, 1977, p. 137)

And Stanley H. Lieberstein drew the following conclusion in a BNA Conference talk in 1979, entitled "The Commercially Utilised Trade Secret: Is It Prior Art?":

> "There is no case which flatly decides whether a prior inventor, trade secret owner, would have rights greater than a subsequent patentee, but it would seem fairly clear from the case law thus far that any patentee who maintained such a suit would run a substantial risk that his patent would be held invalid. A court is not only likely to find that the use by the trade secret owner, inherent in the definition of a trade secret, constitutes a public

> use but it is also possible that a trade secret owner could establish that he was the first inventor, that he was the first to reduce it to practice, and that he had not abandoned, suppressed or concealed it. In the latter event it appears that it would not even be necessary for a court to find a public use." (BNA Conference Course Book, "1979 Patent Conference: The Novelty Requirement And Other Important Aspects of 35 USC 102", Arlington, Va., Sept. 6-7, 1979, p. 339)

In view of these decisions, I had concluded that it should be possible for a first inventor/trade secret owner to stand on his trade secret election rather than be "spurred into activity"; he need not file an application as a panic-stricken but self-defeating reaction the moment he is alerted to competitive activities, in order to get into or provoke an interference in the hope of settling it on the basis of a royalty-free license. (Jorda, "The Rights of the First Inventor-Trade Secret User As Against Those of The Second Inventor-Patentee", 61 JPOS 593, 603 (1979)).

However, we now have a new Court of Appeals for the Federal Circuit and one cannot be sanguine about the outcome of a case involving the issue of the respective rights if one came before it in view of such categorical statements in *Kimberly Clark v. Johnson & Johnson*, *supra*, as "the use of . . . secret (prior) art — as §103 'prior art' — except as required by §102(e) is not favored for reasons of public policy" — *In re Clemens*, 206 USPQ 289 (CCPA 1980), was relied on for this statement — and "[s]ecret uses do not constitute prior art" in *Gore v. Garlock*, 220 USPQ 220, 226 (D.C. N.D. Ohio 1982), aff'd 220 USPQ 303 (CAFC 1983).

V. *Gore v. Garlock*

W.L. Gore & Associates v. Garlock, Inc. *supra* has been interpreted as putting an end to the debate by resolving the conflict in favor of the patentee. Far from it!

Garlock does address the issue of prior secret use. The patents in issue were: 1) Wilbert Gore's `915 patent on the 401 tape-stretching machine, filed October 3, 1969; 2) Robert Gore's (Wilbert's son) `566 patent on a process for stretching unsintered PFTE (teflon) at stretch rates greater than 10% per second at temperatures above 35° C, filed May 21, 1970; and 3)

Robert Gore's `390 patent on products by the `566 process, also filed ..y 21, 1970.

Robert Gore experienced tape breakage problems when stretching unsintered PFTE using the 401 machine, and began experimenting to find a solution. In late October of 1969, he discovered, contrary to conventional thought, that rapid stretching of unsintered PFTE produced a remarkable breathable yet waterproof material. The results of his research lead to the `566 and `390 patents. In August of 1969, Gore and Associates offered to sell PFTE tape to be made on the 401 machine. This tape was shipped on October 24, 1969.

Cropper, a New Zealand inventor, had developed and constructed a machine for producing stretched PFTE tape in 1966. In 1967 Cropper sent a letter to a Massachusetts company offering to sell his machine. The letter described the machine's operation and a photo was enclosed. Nothing came of this solicitation. In 1968 Cropper sold his machine to Budd, who thereafter used the machine to produce PFTE tape in the U.S. Budd's use of the machine was subject to a secrecy agreement.

Gore and Associates brought an infringement action against Garlock in the District Court. The District Court held claim one of the `566 patent anticipated under 102(a) by Gore's use of the 401 machine (the court found the machine stretched at a rate greater than 10% per second at temperatures above 35° C at the time Gore filled the order for PFTE tape made using the 401 machine in October of 1969) and use by Budd of the Cropper machine. The trial court also held all claims of the `566 patent invalid under 102(b) by Budd's use of the Cropper machine.

Gore appealed to the Federal Circuit. The Federal Circuit found the record to support the District Court's finding that the limitations of claim one of the `566 patent were met by Gore and Associates' use of the 401 machine before Robert Gore's asserted late October 1969 date of invention. Robert Gore had made no attempt to show an invention date earlier than the date of shipment of the PFTE tape made on the 401 machine. Citing *Shimadzu* (307 U.S. 5, 1938) the court held "the nonsecret use of a claimed process in the usual course of producing articles for commercial purposes is a public use". *Gore*, 721 F.2d at 1549, 220 USPQ at 309. Having found claim one thus invalid Budd's use of the Cropper machine was not considered as grounds for invalidating claim one under 102(a).

Addressing the District court's holding regarding 102(b), the Federal

Circuit held that beyond the failure of the district court to consider the claims independently, and a failure of proof that the claimed inventions as a whole were practiced by Budd before the critical date, it was error to hold Budd's use was a public use, that activity having been secret. The Federal Circuit noted that Budd offered the tape for sale, not the process. Neither party contended that the public could learn the process from examining the tape. The Federal Circuit held that Budd and Cropper could forfeit patent protection on a patent filed more than a year after commercialization, but that there was no reason or statutory basis on which Budd's secret commercialization of the process could be held to bar the grant of patent to Gore on that process. The Federal Circuit remarked: "Early public disclosure is a linchpin of the patent system. As between a prior inventor who benefits from a process by selling its product but suppresses, conceals, or otherwise keeps the process from the public, and a later inventor who promptly files a patent application from which the public will gain a disclosure of the process, the law favors the latter. See *Horwath v. Lee* 195 USPQ 701 (CCPA 1977)." *Gore* 220 USPQ at 310.

The Federal Circuit's reliance on *Horwath v. Lee* is misplaced. *Horwath* involved an interference where the junior party/prior inventor had waited some five years before filing his application. It is significant that the Court did not cite *Kewanee* or *Dunlop* to clarify its position of the rights of the prior inventor/trade secret owner. This is obviously due to the fact that the prior inventor and his licensee were not parties in interest. Their activity was merely cited by the alleged infringer as invalidating the plaintiff's patent. Had Gore gone after Budd the issue might have been squarely addressed.

In any event the holding of Gore has been limited to an interpretation of 102(b). See *In Re Caveny* 226 USPQ at 4 (CAFC 1985); *D.L. Auld Co. v. Chroma Graphics Corp.* 219 USPQ 13, 16 (CAFC 1983); and *J.A. LaPorte Inc. v. Norfolk Dredging Co.* 229 USPQ at 438 (CAFC 1986).

The rights of a prior inventor/trade secret owner under 102(g), given *Kewanee* and *Dunlop*, have not been squarely addressed, as stated above. Even if the Federal Circuit should uphold the patent of a subsequent inventor/patentee on reasoning similar to *Gore*, it is not at all clear that the prior inventor/trade secret owner would be enjoined, as infringer. 35 USC §283 states that "[t]he . . . courts having jurisdiction of cases under this title *may* grant injunctions in accordance with the *principles of equity* . . . on such terms as the court deems *reasonable*" (emphasis added). As Bennett points out: "The terms of this section (35 USC §283)

are clear: injunctive relief is in the discretion of the court depending upon general principles of equity. The terms must be reasonable . . . It would seem that injunctive relief in the circumstances posited herein could be interpreted as violating the trade secret owner's right to substantive due process." Bennett, *supra* at 755.

Actually, the *Gore v. Garlock* decision hardly established a new principle. In the 1940 case of *Gillman v. Stern*, 114 F.2d 28 (2nd Cir. 1940), was sued for infringing Gillman's patent on a pneumatic "puffing" machine for quilting. One of the defenses set up by Stern was that a third party, Haas, had invented the machine prior to Gillman. Haas, however, had exploited the invention as secretly as possible.

The parallels between the two decisions are striking. Of course, a holding that a secret prior use by a third party does not invalidate a later patent is an entirely different proposition from a holding that a prior inventor/trade secret user is an infringer vis-a-vis a later inventor/patentee.

VI. Views of Commentators

Over the years and decades, many authors have recommended that the prior user be indeed granted a limited prior user or *in personam* right permitting him to continue to practice his invention. See, for instance, Benjamin, "The Right of Prior Use", 26 JPOS 329 (1944); Gambrell, "The Constitution and the In Personam Defense of First Invention", 39 JPOS 791 (1957); Gambrell et al., "The Second Inventor's Patent, The Defense of First Invention and Public Policy", 41 JPOS 388 (1959); and, in particular, and more recently, Bennett, *supra*, who even felt that such a right could be fashioned by courts without resort to legislation and that such a right would avoid an unconstitutional reading of Section 102(g) (P. 747); Burke ("The 'Non-Informing Public Use' Concept and its Application to Patent-Trade Secret Conflicts", 45 Albany Law Review 1060, 1981) who reasoned that:

> "In order to protect both patents and trade secrets from mutual destruction in the face of a conflict, legislative action should be taken. For the two systems to coexist, it is necessary for Congress to follow the footsteps of the other industrialized nations of the world and grant protection to both patents and trade secrets." (p.1077);

and Notaro, *supra*, who concluded that "equity and public policy considerations favoring the recognition of an *in personam* right clearly reflect the *Kewanee* (*Kewanee Oil Co. v. Bicron Corp.*, 181 USPQ 673, 1974) willingness to accept both patents and trade secrets as compatible forms of protection for technological development" (p. 361).

Lastly, K. Hormann and R.L. May, in their paper on "Prior Users' Rights", delivered at the 19th PIPA Congress held in Toba City, Japan, October 1988, had the following conclusion:

> "In the United Sates, a bona fide prior user of a subsequently patented invention may probably continue using the invention. Earlier statutes expressly gave him such a right. Under modern practice, the right may be inferred from the fact his prior use is in the nature of private property vested in him by common law.
>
> By way of suggestion to those advocating harmony among the three patent systems . .. I would say that the Japanese and German statutes relating to prior users appear to be of greater benefit to society at large and that the U.S., should it adopt a first-to-file system, would benefit from a similar statute because it has a potential for reducing current elaborate legal disputes."

See also Milgrim, "Trade Secrets", §8.02(3):

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

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

> "On general grounds it would appear that intervening rights should exist in favor of one who has made a substantial investment to enable the public to buy the product of his machine or process. The secret user learned nothing from and owes nothing equitably or legally to the

> subsequent inventor. If the latter is granted a patent, it should not be enforceable against the prior secret user.
>
> ****
>
> To give a patent to a subsequent inventor without barring him from suing the first inventor and secret user of the invention, would be to offer as a reward to anyone who could discover the invention by independent research the economic scalp of the first inventor and secret user. The only requirement would be to disclose the invention in a patent application. A user of a secret process or machine would never know when he would wake up to find he had to stop using his process machine in which he had perhaps invested thousands of dollars and built up a substantial business."

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

At any rate, no explicit statutory or decisional "right of prior user", "personal easement" or "*in personam* right" exists in this country. But the above authors have pointed out that such right

1) is a first inventor's common law right,
2) exists already in reissue law,
3) would be required by principles of equity,
4) and not according it would be taking property without compensation and, hence, would violate due process principles.

Two articles appeared recently in "The Computer Lawyer" (George H. Gates III, "Trade Secret Software: Is It Prior Art?", Vol 6 No. 8, August 1989, p. 11) and the "Journal of the Patent and Trademark Office Society", (Lisa M. Brownlee, "Trade Secret Use of Patentable Inventions, Prior User Rights and Patent Law Harmonization: An Analysis and Proposal", Vol. 72 No. 6 June 1990 p.523), respectively. Both argue against implementing prior user rights.

VII. Conclusion

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

Thus, it is manifest and compelling that a right of prior user or *in personam* right should be enacted into law. It is badly needed. The arguments advanced in favor of such a right are eminently logical and convincing. It would be the best and ideal solution and compromise between the clashing public policy considerations and the illogical extremes now faced by first inventors/trade secret owners and second inventors/patentees.

Unless legislation is enacted providing protection for the prior user of a trade secret and also protection for the second independent inventor who secures a patent, there could be mutual destruction of patents and trade secrets and the legal situation woefully unsettled. The solution clearly is to let the patent stand without being invalidated by a prior trade secret use and the same time assure the trade secret holder that he will not be the subject of a later filed patent infringement suit. By protecting the rights of both parties the patentee would receive protection for his invention and the independent trade secret user would be allowed to continue using his invention. This solution would be in conformity with the *Kewanee* decision and would satisfy the constitutional mandate concerning the use of patents to promote the progress of the Arts and Sciences.

After all, a Constitutional award to one inventor does not mandate a Constitutional penalty to another, as Bennett said.

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