

NEWS RELEASE

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Contact:

Kevin L. Kearns
202-266-3980
kearns@usbusiness.org

Supreme Court Upholds “First-to-Invent” Standard in U.S. Patent Law

*Decision demonstrates unconstitutionality of the “America Invents Act”
being considered by Congress*

Washington, D.C. – The U.S. Business and Industry Council (USBIC), a national organization of business owners and executives dedicated to improving the U.S. domestic economy, is pleased to announce that the Supreme Court of the United States has upheld the “first to invent” standard that has been integral to U.S. patent law since its beginnings.

Earlier today, the Supreme Court ruled 7-2 for the respondents in *Stanford v. Roche*, a patent infringement case on appeal from the U.S. Court of Appeals for the Federal Circuit. Chief Justice John Roberts delivered the Court’s opinion, holding that “[s]ince 1790, the patent law has operated on the premise that rights in an invention belong to the inventor.” Chief Justice Roberts also held that “[a]lthough much in intellectual property has changed in the 220 years since the first Patent Act, the basic idea that inventors have the right to patent their inventions has not.”

The U.S. House of Representatives is currently considering a patent reform bill that is contradicted by the Court’s decision. Sponsored by Representative Lamar Smith (R-TX), House Resolution 1249 (also known as the “America Invents Act”), proposes to change the standard for obtaining a U.S. patent from “first-to-invent” to “first-to-file”, allowing Congress to award patents to non-inventors.

“For over two centuries, our laws have honored the Constitution’s mandate that the actual inventor of a discovery is the person entitled to a patent, not the first person to file for a patent,” said Jonathan Massey, a leading constitutional scholar and advocate. “Today, the Supreme Court reiterated that ‘an inventor owns the product of his original thought.’ It is time for the House to withdraw H.R. 1249, a clear attempt to deviate from the Constitutional system, and focus instead on the real issue facing our patent system: the inexcusable three-year delay in processing applications at the patent office, which makes many patents obsolete by the time they are issued.”

“The Supreme Court’s 7-2 decision today in *Stanford v. Roche* dramatically exposes the brazen misrepresentations by the proponents of the first-to-file provision in H.R. 1249,” said Adam Mossoff, a patent law scholar, historian, and professor at George Mason University School of Law. “Chief Justice Roberts’s majority opinion confirms that for 220 years the U.S. has had a first-to-invent patent system, following the Constitution’s grant to Congress in Article I, Sec. 8, Clause 8 to enact patent laws. The *Stanford* decision could not have been handed down at a better moment, as Congress badly needs this reminder as to its constitutional obligations to inventors and the American people.”

“Now that the Supreme Court has spoken, it is clear that H.R. 1249 will wreak havoc if it is

passed as written, said Kevin L. Kearns, president of the USBIC. “The bill will create a feast for trial lawyers, bankrupt small-entity inventors, and cripple U.S. innovation and job creation for a decade. I expect it to be withdrawn as soon as the U.S. House of Representatives reconvenes. At this point, the only aspect of the bill that the House can vote on is the amendment authored by Representatives Sensenbrenner and Conyers, which provides funding for the U.S. Patent and Trademark Office.”

The case at hand is captioned *Board of Trustees of the Leland Stanford Junior University, Petitioner v. Roche Molecular Systems, Inc., et al.*, before the Supreme Court of the United States, No. 09-1159.

About the USBIC

Founded in 1933, the U.S. Business and Industry Council (USBIC) is a national organization of business owners and executives dedicated to making the U.S. domestic economy the world’s leading engine of economic growth. Member companies are typically family-owned or privately held, mostly in the manufacturing sector. They are often the major employers in their home communities and the mainstays of the local economy. This membership composition has given the USBIC an outlook on issues more rooted in mainstream America than other national business groups, which are dominated by giant multinational corporations with global agendas and dwindling national loyalties. For more information, see www.americaneconomicalert.org and www.noonhr1249.org.

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