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Article

**TECHNOLOGY OUTPACING THE LAW: THE INVENTION SECRECY ACT OF 1951 AND THE
OUTSOURCING OF U.S. PATENT APPLICATION DRAFTING**

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*352 Introduction

The outsourcing of American jobs to foreign soil emerged as a controversial issue during the most recent Presidential campaign.¹ Over the past several decades, manufacturing jobs have shifted to foreign markets such as Mexico or China, where labor costs are lower.² With the recent surge in Internet communications, a more recent trend has been to outsource service-industry and technology-oriented jobs, primarily to India,³ where professional salaries are considerably lower than in the United States.⁴ Professions impacted include software engineers, accountants, and financial analysts.⁵ India's highly educated workforce has also been a factor in luring several American technology companies overseas to conduct portions of their research and development activities.⁶ The proponents of outsourcing argue that the resulting savings permits businesses to more efficiently concentrate their resources on product development.⁷ Opponents contend that any corporate practice that displaces American jobs abroad is detrimental.⁸

The American legal profession has not been immune from the practice of outsourcing. Law-related services, including legal research, contract drafting, and the drafting of patent applications, have been outsourced to lawyers in India, New Zealand, and South Korea.⁹ New Zealand has become a popular venue for the outsourcing of patent work due to similar patent laws.¹⁰ Foreign attorneys can easily communicate the results of their research to the U.S. by posting information to proprietary Internet sites.¹¹ Outsourcing legal services can result in a savings of up to one-third of costs due to the differences in professional salaries between the United States and India.¹² In addition, the nine to thirteen-hour time difference between the two nations offers American attorneys the ability to perform legal services on a *353 twenty-four hour schedule.¹³ Despite the degree of specialization required to practice before the U.S. Patent and Trademark Office (USPTO or PTO),¹⁴ services related to patent prosecution are especially vulnerable to outsourcing due to lower profit margins.¹⁵ In one recent estimate, by the year 2015, nearly 489,000 jobs held by American lawyers, or 8 percent of the profession, will be shifted abroad.¹⁶

Despite the attraction of inexpensive labor markets, outsourcing to foreign counsel presents a host of problems, including ethical conflict issues, confidentiality, and quality of legal services.¹⁷ Moreover, American corporations may be reluctant to release sensitive intellectual property and trade secrets to foreign professionals due to security concerns.¹⁸ Furthermore, the outsourcing of legal services related to patent prosecution may run afoul of federal law, namely the Invention Secrecy Act of 1951, a statute authorizing the USPTO to screen patent applications and prevent the exportation of potentially sensitive technology.

Part I provides an overview of the Invention Secrecy Act and subsequent case law interpretation. Part II discusses a conflicting provision in the Patent Act that permits an applicant to publish the subject matter of an invention prior to filing with the USPTO. Under the principles of the First Amendment, the government faces a heavy burden if it chooses to censor the corresponding technical publication. Part III argues that, in light of the ability to publish on the Internet, the Invention Secrecy Act has become an antiquated statute that unfairly burdens U.S. inventors.

I. Invention Secrecy Act of 1951

The Invention Secrecy Act of 1951, codified in Sections 181 to 188 of Title 35, United States Code, authorizes the U.S. Patent and Trademark Office to prevent disclosure of the information in patent applications for inventions made in the United States when such information is deemed to detrimental to national security.¹⁹ The practice of outsourcing work related to U.S. patent applications apparently circumvents the USPTO's security review of each application and undermines *354 the purpose of the statute. One possible penalty is the invalidation of any U.S. patent that issues.²⁰

A. Legislative History

The legislative history of the Invention Secrecy Act of 1951 indicates that its primary purpose "is to provide for the withholding of certain patents that might be detrimental to the national security" during peacetime.²¹ One of its predecessor acts, enacted on October 16, 1917, referred to as the Voluntary Tender Act or Secrecy Act,²² gave the Commissioner of

Patents the authority to hold an invention secret if it was deemed “important to the national defense during wartime.”²³ The Voluntary Tender Act was twice amended to “remain[] in force during the time when the United States is at war” during World War II, but ceased to be in effect once hostilities ended.²⁴ During Congressional testimony, the Department of Defense’s position was “that the issuance of patents resulting from research and development sponsored by the armed services and others relating to classified matters [should] be withheld for a period in which the publication of such matters may jeopardize the national interest.”²⁵

B. Overview of Statues

Section 181 authorizes the Commissioner of Patents to issue a secrecy order “[w]henever the publication or disclosure of an invention by the publication of an application or by the granting of a patent” is found to be “detrimental to the national security.”²⁶ Such an order applies to the situations in which: (1) the government holds a property interest in the invention; or (2) when a private party holds a property interest in the invention.²⁷ Secrecy orders are limited in durations of one year, but are renewable if the Commissioner of Patents believes a “national interest” continues to prevail.²⁸

Section 184 prohibits an applicant from filing in a foreign country within six months of the filing of a United States patent without first obtaining a foreign filing license from the Commissioner of Patents.²⁹ A foreign filing license may be granted retroactively “where an application has been filed abroad through error and without deceptive intent” and if the application was not subject to a secrecy order.³⁰ A foreign filing license is only required if the “invention is made in this country.”³¹

In practice before the USPTO, every U.S. application for an invention originating in the United States is considered an implicit request for a foreign filing license.³² Upon the receipt of the filing receipt by the applicant, the date on which the applicant may file abroad is indicated by the date next to the phrase, “Foreign Filing License Granted.”³³ To request an explicit petition for a foreign filing license, the applicant must contact the USPTO’s Licensing and Review section.³⁴

Sections 182, 185, and 186 impose sanctions for violating a secrecy order or foreign licensing requirements.³⁵ Under Section 182, the disclosure of an invention subject to a Section 181 secrecy order may result in abandonment, which would occur at the time the secrecy order was violated.³⁶ Under Section 185, a United States patent is invalid if the applicant has filed abroad without first obtaining a foreign filing license.³⁷ Section 186 imposes criminal penalties for willful violations of either the secrecy order or the foreign filing license.³⁸ Penalties may result in fines of up to \$10,000, up to two years of imprisonment, or both.³⁹

C. Case Law Interpretation

1. Emphasis on National Security

In *Blake v. Bassick Co.*,⁴⁰ the court emphasized that the purpose of the Invention Secrecy Act was to protect the national security of the United States during peacetime.⁴¹ In *Blake*, the plaintiff patent owner sued the defendant for infringement of a device used to level furniture on uneven floors.⁴² In procuring the patent, plaintiff had filed two U.S. applications, both covering a leveling device.⁴³ Whereas the earlier U.S. application was abandoned, the second application was issued as a U.S. patent.⁴⁴ However, plaintiff later filed an application in Great Britain directed at the same subject matter, within 6 months of the second application.⁴⁵ Defendant filed a motion for summary judgment, alleging that the patentee had filed an application in a foreign country within six months of the U.S. file date in violation of foreign license requirement, Section 184, and therefore invalidated the patent under Section 185.⁴⁶ In opposing the motion, plaintiff contended that because the two U.S. applications covered the same subject matter, the filing of the British application occurred 6 months after the disclosure of the earlier abandoned U.S. application.⁴⁷ The court held that plaintiff’s failure to obtain a foreign filing license was “completely inadvertent” on the attorney’s and the Patent Office’s assumption that none was necessary because earlier U.S. application had been made more than six months prior to the British application.⁴⁸ Furthermore, the court stated:

An examination of the statutes would clearly indicate that it was the purpose of Congress to protect and assist the security and defense of this country by pre-empting to the Government any new invention it deemed valuable to it, and to grant it six months within which to study the matter before an application for a patent on the invention should be made in a foreign country.⁴⁹

2. Section 184 Applies to All Inventions

In *Minnesota Mining and Manufacturing Co. v. Norton Co.*,⁵⁰ the District Court held that Section 184 applies to all inventions, not just inventions that may potentially jeopardize national security.⁵¹ In *Minnesota Mining*, the plaintiff filed a U.S. patent application for an invention directed at a scouring pad.⁵² Less than six months from the U.S. filing date, the plaintiff filed patent applications in five foreign *357 countries, covering the same subject matter.⁵³ The defendant's motion for summary judgment argued that the patent was invalid because the plaintiff had failed to secure a foreign filing license prior to filing abroad.⁵⁴ In opposing the defendant's motion, plaintiff argued that the invention did not involve military technology,⁵⁵ and thus a foreign filing license was unnecessary.⁵⁶ In rejecting the plaintiff's argument, the court held that the government, not the applicant, would decide if an invention had military value.⁵⁷ Furthermore, the court articulated:

If [the invention] had something to do with a paper napkin or a hem-stitched handkerchief or a ball point pencil, or whatever the subject of the patent, it is not for the applicant to decide that Section 184 has no application to him. That is not his function. That is not his privilege. That is really not his business. It is the country's business.⁵⁸ In applying the holdings of *Blake* and *Minnesota Mining* together, the USPTO apparently must be provided with the opportunity to screen all U.S. applications to make a determination as to whether the disclosed invention endangers the national security of the United States.

3. Section 184 Applies to Inventions Reduced to Practice in the United States

Section 184's foreign licensing requirement is limited to only "inventions made in this country."⁵⁹ In *Sealectro Corp. v. L.V.C. Industries, Inc.*,⁶⁰ the New York District Court, Eastern District, clarified that in order for Section 184 to apply, the invention must be reduced to practice in the United States.⁶¹ In *Sealectro*, plaintiff sued defendant for patent infringement⁶² regarding an invention covering a "diode receptacle for holding a semiconductor rectifier."⁶³ The patentee initially filed a patent application in Britain about one year prior to the filing of the corresponding U.S. application.⁶⁴ Both patents covered the same subject matter.⁶⁵ The *358 patent owner, *Sealectro Corporation*, was an American company conducting research operations in the United Kingdom and the invention was the result of the corroboration between an American and a British citizen.⁶⁶ Furthermore, the first reduction to practice of the invention occurred in the United Kingdom.⁶⁷ However, several embodiments of the invention had been made in the United States.⁶⁸ In its motion for summary judgment, defendant argued that patentee had failed to obtain a foreign filing license from the Commissioner of Patents, and therefore the patent in suit was invalid.⁶⁹ In ruling against the motion, the court held that a foreign filing license was not necessary.⁷⁰ Furthermore, the court articulated that, "Section 184 may . . . be construed as marking for its application the point where and when an invention is reduced to practice as that which determines when the invention was made."⁷¹

4. Section 184 and Continuation-in-Part Applications

In *Beckman Instruments Inc. v. Coleman Instruments Inc.*⁷² and *Gaertner*,⁷³ the courts clarified Section 184's definition of a patent "application," that includes "any modifications, amendments, or supplements thereto, or divisions"⁷⁴ with respect to continuation-in-part applications.⁷⁵

In *Beckman Instruments*, the patentee and exclusive licensee sued defendant for infringement of a patent entitled, "Method and Apparatus for Control of Titrations and Other Phenomena."⁷⁶ During prosecution, the patentee filed a parent U.S. application, followed by a continuation-in-part of the parent application.⁷⁷ In an oath attached to the continuation-in-part, the applicant disclosed that foreign applications had been previously filed in Great Britain and West Germany.⁷⁸ The continuation-in-part *359 contained subject matter not disclosed in the parent application.⁷⁹ More than six months had passed between the first U.S. application and the foreign filing.⁸⁰ However, the foreign applications were filed before the six-month period had expired in relation to the continuation-in-part application, without obtaining a foreign filing license from the Commissioner of Patents.⁸¹ The Seventh Circuit held that Section 184 would "fail of its purpose if an applicant were permitted to file a first application disclosing some features of a secret invention [and] after a six-month period to file a continuation-in-part application disclosing additional essential features, and then without obtaining a license to disclose his invention abroad."⁸²

In *Gaertner*, the applicant appealed a decision by the Patent and Trademark Office Board of Appeals rejecting an application covering an herbicidal compound.⁸³ The applicant filed a U.S. parent application, followed by a continuation-in-part

containing subject matter differing from the earlier U.S. application.⁸⁴ Subject matter contained in the continuation-in-part was filed in nine foreign countries prior to the filing of the U.S. continuation-in-part.⁸⁵ However, the foreign disclosures were filed more than six months after the first parent application.⁸⁶ Moreover, the PTO denied a retroactive filing license because the applicant “had not provided the required verified showing of facts and. . .his showing indicated no inadvertence in filing abroad without a license.”⁸⁷ In upholding the PTO’s rejection, the court held that “[t]he purpose of the statute could be frustrated if the corresponding foreign application contained information not present in an examined-for-security-material U.S. application or in a license for foreign filing.”⁸⁸ Moreover, the court stated that “[n]either [the applicant] nor this court has authority to determine whether the disclosure abroad of [subject matter] would be detrimental to national security” and that “Section 184 assigns that right and duty to the PTO.”⁸⁹

*360 5. Purpose of the Six-Month Waiting Period

The Beckman Instruments court further articulated “an applicant for a patent who files an application in a foreign country must (1) delay such foreign filing for six months after the filing of his corresponding United States patent application, or (2) obtain a license authorizing such foreign filing in less than the mandatory six months’ waiting period.”⁹⁰ Furthermore, this waiting period “affords the Secretary of Commerce and other governmental departments an opportunity to examine the application for the presence of security material before the information is sent abroad.”⁹¹

6. Retroactive License

Section 184 permits the Commissioner of Patents to grant a retroactive license “where an application has been filed abroad through error and without deceptive intent” and subject matter was not subject to a secrecy order under Section 181.⁹² In *Pillsbury Co. v. General Mills, Inc.*,⁹³ the Minnesota District Court held that the Commissioner of Patents has the authority to grant a retroactive license for an inadvertent disclosure even after the U.S. patent has issued.⁹⁴

In *Pillsbury*, the defendant challenged the validity of the plaintiff’s patent, covering a cake recipe, on the grounds that the patentee had filed an application in Canada within six months of the U.S. filing, in violation of Section 184.⁹⁵ About three years after the patent in suit issued, the plaintiff obtained a retroactive foreign filing license for the Canadian application.⁹⁶ The defendant challenged the authority of the Commissioner to issue a retroactive license after the patent had issued and argued that the patent was invalid under Section 185.⁹⁷ In ruling in favor of the plaintiff, the court stated that the “Commissioner of Patents has the authority under Section 184 to grant a license retroactively to a patentee where a United States patent has been issued and an application has been inadvertently filed abroad within the six months’ period without the approval of the Commissioner and where the application does not disclose an invention within the scope of Section 181 of Title 35, United States Code.”⁹⁸

*361 Moreover, on appeal in *Minnesota Mining*, the Sixth Circuit determined the effect of a retroactive license.⁹⁹ The court held that, “the statute in clear language provides for retroactive compliance, and when such retroactive compliance is supplied, the retroactive license must be taken as standing in its proper place in the sequence of: (1) U.S. application, (2) license, (3) foreign application, and (4) U.S. Patent.”¹⁰⁰

II. Prior Publication of a Patent Application

In contrast to the Invention Secrecy Act’s policy of restricting technical information,¹⁰¹ an applicant is permitted to publish the subject matter of a U.S. application prior to filing with the USPTO.¹⁰² Section 102(b) of the Patent Act provides that a patent cannot be granted if “the invention was . . . described in a printed publication in this . . . country . . . more than one year prior to the date of the application for patent in the United States. . . .”¹⁰³ Under the principles of the First Amendment, the U.S. government must satisfy a heavy burden to enjoin the dissemination of the corresponding technical publication, in the interests of national security.¹⁰⁴ For most inventions, the applicant may freely disseminate technical information via publication, without a governmental security review.

A. Section 102(b) of the Patent Act and Prior Publication

In *Cronyn*, the Federal Circuit held that an applicant may freely publish the subject matter of his invention without implicating 35 U.S.C. § 102(b), as long as the publication is not “reasonably accessible to the public” for more than one year

before the filing date.¹⁰⁵ In Cronyn, the applicant, a professor of chemistry at Reed College, filed a patent application for a chemical compound.¹⁰⁶ The subject matter of the application was based on research performed in the professor's laboratory by his undergraduate students.¹⁰⁷ Reed College requires all students to submit and orally present an undergraduate thesis.¹⁰⁸ A copy of each thesis was filed with the *362 main college library.¹⁰⁹ Prior to filing the application, three undergraduate theses disclosing the chemical compound were filed with the library. The three theses were listed on 3 of 450 index cards, classified by academic department and publicly accessible.¹¹⁰ The Board of Patent Appeals and Interferences affirmed the patent examiner's rejection under 35 U.S.C. § 102(b), holding that the submission of the theses to the library constituted a "printed publication," disclosed more than one year before the filing date.¹¹¹ However, the Federal Circuit reversed, holding that "the three student theses were not accessible to the public because they had not been either cataloged or indexed in a meaningful way," and therefore Section 102(b) did not apply.¹¹²

B. Prior Restraints and Technical Publications

Given that the Patent Act permits an applicant to publish the subject matter of a U.S. application, the government faces a heavy burden if it attempts to suppress the publication of the corresponding technical paper.¹¹³ The First Amendment of the United States Constitution provides that "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ."¹¹⁴ Free speech and the exchange of viewpoints in the "marketplace of ideas" are the very backbone of the First Amendment.¹¹⁵ "[C]ourts have subjected to First Amendment scrutiny restrictions on the dissemination of technical scientific information, and scientific research, and attempts to regulate the publication of instructions."¹¹⁶ One of the purposes of the First Amendment was to prevent the system of prior restraint to free expression, similar to the English licensing scheme, requiring governmental approval prior to publish printed material.¹¹⁷ Furthermore, any "prior restraints on speech and publication are the most serious and the least tolerable infringement on First Amendment rights."¹¹⁸ As a result, any system of prior restraints bears a strong presumption against its constitutional validity.¹¹⁹

*363 The United States Supreme Court has consistently held that the freedom of speech is not absolute¹²⁰ and has carved out a narrow exception for preserving the national security interests in *Near v. Minnesota*.¹²¹ In *Near*, the Court held that during periods of war, "a government might prevent actual obstruction to its recruiting service or the publication of the sailing dates of transports or the number and location of troops."¹²² In *United States v. Progressive, Inc.*,¹²³ the Wisconsin District Court restrained the publication of a technical article disclosing the design of a nuclear weapon.¹²⁴ In *Progressive*, the United States government sought to enjoin defendant magazine publisher, *The Progressive*, from distributing an article disclosing technical data related to the design and manufacturing of a thermonuclear weapon.¹²⁵ The defendant had written an article based on technical data "already in the public domain and readily available to any diligent seeker."¹²⁶ Prior to publication, *The Progressive* forwarded the article to the Department of Energy to verify its accuracy.¹²⁷ After review, the plaintiff informed *The Progressive* that publication of the article would violate the Atomic Energy Act,¹²⁸ which prevents the disclosure of data related to the design and manufacture of nuclear weapons to any person "with reason to believe such data will be utilized to injure the United States or to secure an advantage to any foreign nation."¹²⁹ The court held that the Atomic Energy Act's control of "Restricted Data" included the publishing of a magazine article disclosing the "design, manufacture, or utilization of atomic weapons."¹³⁰ In arriving at a decision, the court balanced the damage incurred by releasing "information dealing with the most destructive weapon in the history of mankind" against the First Amendment freedom of the press.¹³¹ In ruling against the defendant *364 magazine, the court held "publication of the technical information on the hydrogen bomb contained in the article is analogous to publication of troop movements or locations in time of war and falls within the extremely narrow exception to the rule against prior restraint."¹³² Moreover, due to the "disparity of risk" and because the "government had met its heavy burden," the court held that a prior restraint was the proper remedy.¹³³

III. Analysis

A potential issue for the federal courts or Congress to address is whether the disclosure of patentable subject matter to foreign counsel before the filing of the application in the U.S. Patent and Trademark Office results in an invalid patent. Disclosing the subject matter of an invention prior to the USPTO's security review appears to undermine the fundamental purpose of the Invention Secrecy Act. As a result, one possible sanction is patent invalidity.¹³⁴ In contrast, the Patent Act permits a person to publish the subject matter of an invention and later file for a U.S. patent.¹³⁵ By publishing, the same person is also disclosing the subject matter of the invention, but without the danger of patent invalidity. Moreover, under the principles of the First Amendment, the government faces a heavy burden if it chooses to censor the contents of the corresponding technical publication.¹³⁶ These two seemingly inconsistent results should be reconciled.

A. Patent Invalidity and the Invention Secrecy Act

For an invention reduced to practice in the United States,¹³⁷ an applicant who outsources the drafting of a U.S. application prior to filing in the USPTO apparently violates the Section 184 foreign filing license requirement by circumventing the Commissioner of Patent's security review. Between 2000 and 2004, approximately 53% of the patents issued by the USPTO were issued to U.S. residents.¹³⁸ Thus, assuming that all patents issued to U.S. residents are reduced to practice in this country, about half of the issued patents by the USPTO are subjected to the Section 184 foreign filing license requirement.

***365** In *Blake*, an Illinois District Court articulated that the fundamental purpose of the Invention Secrecy Act was to prevent the exportation of technology that may jeopardize the national security of the United States.¹³⁹ In *Minnesota Mining*, a Minnesota District Court held that the government, not the applicant, decides if the invention is subject to a Section 184 foreign filing license.¹⁴⁰ The Court of Customs and Patent Appeals in *Gaertner* determined that the USPTO, not the applicant, was vested with the authority to make the determination as to whether a secrecy order should be issued.¹⁴¹ Furthermore, the purpose of the six-month waiting period between U.S. file date and filing a foreign application is to provide the United States government with the opportunity to screen patent applications for sensitive technology prior to disclosure abroad.¹⁴² In *Beckman Instruments and Gaertner*, the courts held that the filing of continuation-in-part applications containing new matter resets the six-month waiting period, prior to filing foreign applications.¹⁴³ Although Section 184 does not expressly address continuation-in-part applications, the courts adopted an interpretation that furthered the underlying purpose of restricting access to technology that may endanger national security.¹⁴⁴ Allowing the practice of outsourcing deprives the government of the opportunity to screen U.S. application for sensitive technology and appears to violate the fundamental policy behind the Invention Secrecy Act.

A final issue to address is whether a retroactive license is available to resuscitate a patent determined to be invalid for a Section 184 violation. Section 184's language requires a showing that the failure to obtain a license was "through error and without deceptive intent."¹⁴⁵ If the primary motive for outsourcing the drafting a U.S. application is a reduction in legal fees, an applicant will likely have a difficult time arguing that the disclosure was mere error .

B. Prior Publication and the First Amendment

The Patent Act permits applicants to publish technical information related to the subject matter of a U.S. application if the application is filed within one year of the publication date.¹⁴⁶ Once published, the applicant essentially discloses the subject matter of the application to a broad audience, without any governmental security ***366** review, prior to filing with the USPTO. Under *Progressive*, individuals may publish technical data, as long as its dissemination does not "threaten national security," such as disclosing the technical details of a nuclear weapon.¹⁴⁷ As long as the applicant obtains a foreign filing license or waits at least six months from the U.S. file date to file a foreign application, there are likely to be no grounds for invalidating the resulting patent under the Invention Secrecy Act.¹⁴⁸ Here, the applicant has also "circumvented" the Commissioner of Patent's security review by publishing, but without jeopardizing the validity of the U.S. patent.

C. The Invention Secrecy Act Imposes Disproportionate Penalties on U.S. Inventors

In light of the surge in Internet communications and the ability to inexpensively disseminate information, the time is ripe for Congress to repeal the antiquated Invention Secrecy Act. As noted by the Supreme Court, "[f]rom the publishers' point of view, [the Internet] constitutes a vast platform from which to address and hear from a world-wide audience of millions of readers, viewers, researchers, and buyers. Any person or organization with a computer connected to the Internet can 'publish' information."¹⁴⁹ Furthermore, the District Court for the Southern District of New York stated that courts "cannot be blind to changes and advances in technology. No longer do we live in a world where communications are conducted solely by mail carried by fast sailing clipper or steam ships. Electronic communication. . . can and does provide instantaneous transmission of. . . information."¹⁵⁰ Internet publication qualifies as a "printed publication" in the context of the Patent Act.¹⁵¹

From a national security perspective, publishing the subject matter of an invention on the Internet prior to filing in the USPTO creates an instantaneous worldwide audience, without any sanction of patent invalidity. In sharp contrast, an applicant who chooses to outsource the drafting of a U.S. application discloses the technology only to a foreign law firm. Moreover, the foreign attorneys are likely to be bound by confidentiality agreements with their American counterparts.

Disclosure of technology to a worldwide audience is far more damaging to national security *367 than disclosure to a single foreign law firm. And yet, one possible consequence of outsourcing the drafting of a U.S. application is patent invalidity, a seemingly disproportionate penalty.

Enforcement of the Invention Secrecy Act for the purposes of reducing the proliferation of outsourcing U.S. applications may also place U.S. inventors at a competitive disadvantage. Applying the rule of *Seaelectro*, foreign inventors, who account for about 47% of the patents issued by the USPTO,¹⁵² are not subjected to the Section 184 foreign filing license requirement.¹⁵³ In other words, U.S. inventors may be forced, by statute, to pay higher legal fees for patent procurement than foreign inventors. A more effective solution in combating outsourcing is for American law firms to continue offering high quality legal services, rather than reliance on an antiquated law. While some law firms recognize the financial benefits of outsourcing, the practice is still plagued by language barriers, unfamiliarity with U.S. law, and questions whether strict American ethical guidelines apply to foreigners.¹⁵⁴ Other concerns raised by the practice of outsourcing include the dangers of relinquishing valuable trade secrets or entrusting sensitive intellectual property to professionals overseas.¹⁵⁵ As noted by one veteran patent attorney, patent prosecution “is something like brain surgery. You really don’t want to necessarily have the low bidder. You want it to be done right.”¹⁵⁶

Conclusion

The practice of drafting U.S. patent applications abroad prior to filing in the USPTO appears to violate the Invention Secrecy Act, whose purpose to protect national security by providing the USPTO with the opportunity to screen all applications. However, under the Patent Act, an applicant is permitted to publish the subject matter of a patent application up to one year before filing in the USPTO. Internet publication discloses the subject matter of the invention to a worldwide audience without any USPTO security review or penalty of patent invalidity. In contrast, by outsourcing the drafting of a U.S. application, the applicant is only disclosing the application to foreign counsel, but may incur the penalty of patent invalidity. Advances in Internet technology have effectively rendered the Invention Secrecy Act obsolete, and thus the antiquated statute should be repealed. The statute imposes a disproportionate penalty of patent invalidity and places U.S. inventors at a disadvantage by forcing them to pay higher legal fees.

Footnotes

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¹ Jyoti Thottam, *Is Your Job Going Abroad?*, Time, Mar. 1, 2004, at 26.

² *Id.* at 27.

³ *Id.* at 29.

⁴ *Id.* at 33.

⁵ *Id.* at 29.

⁶ Saritha Rai, *In India, a High-Tech Outpost for U.S. Patents*, N.Y. Times, Dec. 15, 2003, at C4.

⁷ Thottam, *supra* note 1, at 34.

⁸ *Id.* at 29-30.

9 Jennifer Fried, Offshoring Work, Nat'l L.J., May 17, 2004, at S1.

10 Id. at S11.

11 Helen Coster, Briefed in Bangalore, Am. Law., Nov. 1, 2004, at 98.

12 Jill Schachner Chanen, Moving to Mumbai, A.B.A. J., Apr. 2004, at 28.

13 Coster, supra note 11, at 98.

14 To practice before the U.S. Patent and Trademark Office, patent attorneys and patent agents are required to have a technical degree and to pass the Patent Bar Examination. See 37 C.F.R. § 11.7 (2005).

15 Fried, supra note 9, at S11.

16 Id.

17 Renee Deger, More Companies Now Follow DuPont's "Legal Model", Nat'l L.J., May 17, 2004, at S6.

18 Id.

19 35 U.S.C. §§ 181-188 (2005).

20 Id. at §§ 185-186.

21 S. Rep. No. 82-1001, at 1 (1951), reprinted in 1952 U.S.C.C.A.N. 1321, 1321.

22 Fulmer v. United States, 83 F. Supp. 137, 144 (N.D. Ala. 1949).

23 S. Rep. No. 82-1001, at 1.

24 Id.

25 Id. at 1-2.

26 35 U.S.C. § 181 (2005).

27 Id.

28 Id.

29 Id. § 184.

30 Id.

31 Id.

32 Manual of Pat. Examining Proc., ch. 100, 100-32 (8th ed. May 2004).

33 Id.

34 Id.

35 35 U.S.C. §§ 182, 185-186.

36 Id. § 182.

37 Id. § 185.

38 Id. § 186.

39 Id.

40 146 U.S.P.Q. (BNA) 157 (N.D. Ill. 1963).

41 Id. at 157.

42 Id. at 158.

43 Id.

44 Id.

45 Id.

46 Blake v. Bassick Co., 146 U.S.P.Q. (BNA) 157, 157-58 (N.D. Ill. 1963).

47 Id. at 158.

48 Id. at 160.

49 Id. at 159 (emphasis added).

50 144 U.S.P.Q. (BNA) 272 (N.D. Ohio 1965), rev'd on other grounds, 366 F.2d 238 (6th Cir. 1966).

51 Id. at 276.

52 Id.

53 Id. at 275-76.

54 Id.

55 Minnesota Mining & Mfg. Co. v. Norton Co., 144 U.S.P.Q. (BNA) 272, 276 (N.D. Ohio 1965).

56 Id.

57 Id.

58 Id.

59 35 U.S.C. § 184 (2005).

60 271 F. Supp. 835 (E.D.N.Y. 1967).

61 Id. at 841.

62 Id. at 836.

63 Id. at 837.

64 Id.

65 Id.

66 Sealectro Corp. v. L.V.C. Indus., Inc., 271 F. Supp. 835, 838 (E.D.N.Y. 1967).

67 Id.

68 Id. at 839.

69 Id. at 836.

70 Id. at 841-42.

71 Id. at 841 (emphasis added).

72 338 F.2d 573 (7th Cir. 1964).

73 In re Gaertner, 604 F.2d 1348 (C.C.P.A. 1979).

74 35 U.S.C. § 184 (2005).

75 Beckman Instruments, 338 F.2d at 576; Gaertner, 604 F.2d at 1352.

76 Beckman Instruments, 338 F.2d at 574.

77 Id. at 574-75.

78 Id. at 575.

79 Id. at 576.

80 Id. at 574-75.

81 Id.

82 Beckman Instruments v. Coleman Instruments, 338 F.2d 573, 576 (7th Cir. 1964).

83 604 F.2d 1348, 1349 (C.C.P.A. 1979).

84 Id. at 1350.

85 Id.

86 Id. at 1349-50.

87 Id. at 1351.

88 Id. at 1352.

89 In re Gaertner, 604 F.2d 1348, 1355 (C.C.P.A. 1979).

90 Beckman Instruments v. Coleman Instruments, 338 F.2d 573, 575 (7th Cir. 1964).

91 Id. at 576.

92 35 U.S.C. § 184 (2005).

93 252 F. Supp. 747 (D. Minn. 1966), rev'd on other grounds, 378 F.2d 666 (8th Cir. 1967).

94 Id. at 751.

95 Id. at 748.

96 Id. at 749.

97 Id. at 750.

98 Id.

99 Minnesota Mining & Mfg. Co. v. Norton Co., 366 F.2d 238 (6th Cir. 1966).

100 Id. at 241 (emphasis in original).

101 See S. Rep. No. 82-1001 at 1 (1951), reprinted in 1592 U.S.C.C.A.N. 1321, 1321.

102 See 35 U.S.C. § 102(b) (2002).

103 Id.

104 See generally *New York Times Co. v. United States*, 403 U.S. 713 (1971); *Near v. Minnesota*, 283 U.S. 697 (1931); *United States v. Progressive, Inc.*, 467 F. Supp. 990 (W.D. Wis. 1979).

105 In re Cronyn, 890 F.2d 1158, 1161 (Fed. Cir. 1989).

106 Id. at 1158.

107 Id. at 1159.

108 Id. at 1158-59.

109 Id. at 1159.

110 Id.

111 In re Cronyn, 890 F.2d 1158, 1159 (Fed. Cir. 1989).

112 Id. at 1161.

113 See generally *New York Times Co. v. United States*, 403 U.S. 713 (1971); *Near v. Minnesota*, 283 U.S. 697 (1931); *United States v. Progressive, Inc.*, 467 F. Supp. 990 (W.D. Wis. 1979).

114 U.S. Const. amend. I.

115 *Abrams v. United States*, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting).

116 *Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 447 (2d Cir. 2001) (citations omitted).

117 See Jesse H. Choper, Richard H. Fallon, Jr., Yale Kamisar & Steven H. Shiffrin, *Constitutional Law* 798 (9th ed. 2001).

118 *Nebraska Press Ass'n. v. Stuart*, 427 U.S. 539, 559 (1976).

119 *New York Times Co. v. United States*, 403 U.S. 713, 714 (1971).

120 “Free speech is not so absolute or irrational a conception as to imply paralysis of the means for effective protection of all the freedoms secured by the Bill of Rights.” *Bridges v. California*, 314 U.S. 252, 282 (1941) (Frankfurter, J., dissenting). Some recognized categories of unprotected speech include: the incitement of imminent unlawful behavior, *Brandenburg v. Ohio*, 395 U.S. 444 (1969); obscenity, *Miller v. California*, 413 U.S. 15 (1973); child pornography, *New York v. Ferber*, 458 U.S. 747 (1982); and “fighting words,” *Chaplinsky v. New Hampshire*, 315 U.S. 568 (1942).

121 283 U.S. 697 (1931).

122 Id. at 716.

123 467 F. Supp. 990 (W.D. Wis. 1979).

124 Id. at 1000.

125 Id. at 998.

126 Id. at 993.

127 Id. at 998.

128 Id.

129 United States v. Progressive, Inc., 467 F. Supp. 990, 994 (W.D. Wis. 1979). (quoting 42 U.S.C. § 2274(b) (2000)).

130 Id.

131 Id. at 995.

132 Id. at 996.

133 Id.

134 35 U.S.C. § 185 (2002).

135 Id. § 102(b).

136 United States v. Progressive, Inc., 467 F. Supp. 990, 992 (W.D. Wis. 1979).

137 For an invention reduced to practice outside the United States, a 35 U.S.C. § 184 foreign filing license is not required. See Seaelectro Corp. v. L. V. C. Industries, Inc., 271 F. Supp. 835 (E.D.N.Y. 1967).

138 From 2000 to 2004, the USPTO issued a total of 924,129 patents (including utility, plant, design and reissue patents) of which 493,325 were issued to residents of the United States. See 2004 U.S. Pat. & Trademark Off. Ann. Rep. 121, 126, available at <http://www.uspto.gov/web/offices/com/annual/2004/2004annualreport.pdf>.

139 Blake v. Bassick Co., 146 U.S.P.Q. (BNA) 157, 159 (N.D. Ill. 1963) (citing Halpern v. United States, 258 F.2d 36, 38 (2d Cir. 1958)).

140 Minnesota Mining & Mfg. Co. v. Norton Co., 144 U.S.P.Q. (BNA) 272, 276 (N.D. Ohio 1965).

141 In re Gaertner, 604 F.2d 1348, 1355 (C.C.P.A. 1979).

142 Beckman Instruments, Inc. v. Coleman Instruments, Inc, 338 F.2d 573, 576 (7th Cir. 1964).

143 Id.; Gaertner, 604 F.2d at 1352.

144 Beckman Instruments, 338 F.2d at 576; Gaertner, 604 F.2d at 1352.

145 35 U.S.C. § 184.

146 *Id.* § 102(b).

147 *United States v. Progressive, Inc.*, 467 F. Supp. 990, 996 (W.D. Wis. 1979).

148 See *Beckman Instruments*, 338 F.2d at 575.

149 *Reno v. American Civil Liberties Union*, 521 U.S. 844, 853 (1997).

150 *New England Merchants Nat'l Bank v. Iran Power Generation & Transmission Co.*, 495 F. Supp. 73, 81 (S.D.N.Y. 1980).

151 See *In re Wyer*, 655 F.2d 221, 227 (C.C.P.A. 1981) (“Accordingly, whether information is printed, handwritten, or on microfilm or a magnetic disc or tape, etc., the one who wishes to characterize the information, in whatever form it may be, as a ‘printed publication’...should produce sufficient proof of its dissemination or that it has otherwise been available and accessible to persons concerned with the art to which the document relates and thus most likely to avail themselves of its contents.”).

152 See 2004 U.S. Pat. & Trademark Off. Ann. Rep. 121, 126, available at <http://www.uspto.gov/web/offices/com/annual/2004>.

153 See *Seaelectro Corp. v. L.V.C. Industries, Inc.*, 271 F. Supp. 835 (E.D.N.Y. 1967).

154 *Fried*, *supra* note 9, at S11.

155 *Deger*, *supra* note 17, at S6.

156 *Fried*, *supra* note 9, at S11.