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# Independent Creation Defense and Patent Law

Harold Pahlck

## *Abstract*

*Patent law may benefit from having an independent creation defense because it would increase motivation for patent holders to disclose their creations. Both the areas of copyrights and trade secrets allow for the defense, which is when two inventors create the same thing without any knowledge of the others work, each would have a defense to infringement against the other. This would further the goals of the patent system, which seeks to motivate people to disclose their inventions; in exchange for a monopoly for a set duration on that invention. While this may have a chilling effect on motivation to invent, especially in quickly developing industries, the effect would be small because the party to file for the patent would have a right to exclude every user; except ones who invented the same thing independently with no knowledge of the patent holders work. I plan to show this by describing how the defense works in other areas of the law and the effect it has had on them. In addition to show the effect this could have on disclosure and how important it is to the patent system. There is a good possibility that having an independent creation defense will aid in disclosure, without a major effect on innovation.*

## I. Introduction

The patent law may benefit from having an independent creation defense to infringement that is based upon independent creation of an invention by someone who had, in good faith, no knowledge of the first to file inventor's creation. The defense would give

the independent creator a shield against infringement from the patent holder; but the independent creator would not be entitled to obtain a patent, and would get none of the other rights afforded to patent holders. The defense would be similar to the independent creation defense as it is used in copyright law, except it should be tailored to suit the distinctive needs of the patent law. It would not be available to all independent creators as it is in copyright law, but only to independent creators who begin to make a commercial use of their invention in the period after the effective filing date of another party, and the issuing of that patent or the other party's public disclosure, whichever event happens first. Once the other party's patent issues or they make a public disclosure, the independent creation defense would no longer shield secondary inventors because they would have constructive notice of the patent that a diligent and thorough search of the prior art would reveal.

This paper explores the defense of independent creation, its administrability, and its rationales. Section II examines the independent creation defense and how it can be asserted in other areas of intellectual property law. In copyright law to establish a prima facie case of infringement the plaintiff must show copying. This is most commonly done by showing that the defendant had access to the copyright work, and that both works are substantially similar. The defendant can rebut this presumption by asserting independent creation by showing that they did not have any actual knowledge or access to the plaintiff's copyright. If the plaintiff cannot rebut this they will lose their infringement suit. There is also an independent creation defense in trade secret law, which works similar to the independent creation defense in copyright law. If an independent creation defense was added to the patent law it would work similarly to other areas of intellectual property law that also have the defense.

The recent Leahy-Smith America Invents Act had made a few major changes to the United States patent law. Section III examines the current state of the patent law under the America Invents Act. The biggest change that the America Invents act made to the law was that it switched the United States from a first to invent to a first to file system. Under the first to file system the priority date is no longer established by the first to invent or the first to reduce to practice; the party with the earlier effective filing date is now the party that will prevail and be awarded the patent. The America Invents Act also added a prior commercial use defense to the patent law. This defense allows a user who does not file for a patent to have a defense against infringement, provided they were using the patents subject matter commercially for more than one year prior to the effective filing date of the patent. The changes made by the America Invents Act were to simplify the United States patent law and to bring it more in line with the patent law of the rest of the world.

The independent creation defense would need to be tailored to fit the specific needs of the patent system. The addition of an independent creation defense has been discussed by many legal scholars in the past.<sup>1</sup> To this authors knowledge none of the past commentators have discussed how the defense would operate under the new America Invents Act, and if it would be a prudent decision to add one. In addition, it would have effects of the administrability of the patent system. Section IV discusses exactly how the proposed defense would be structured and how it could be asserted in a case for infringement. It also describes

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<sup>1</sup> See, e.g., Samson Vermont, *Independent Invention As a Defense to Patent Infringement*, 105 MICH. L. REV. 475 (2006); Oskar Liivak, *Rethinking The Concept of Exclusion in Patent Law* 98 Geo. L.J. 1643 (2010); Roger Milgrim, *An Independent Invention Defense to Patent Infringement: The Academy Talking to Itself: Should Anyone Listen*, 90 PAT & TRADEMARK OFF. SOC'Y 295 (2008); Michelle Armond, *Introducing the Defense of Independent Invention to Patent Preliminary Injunctions*, 91 CAL. L. REV. 117 (2003); John S. Leibovitz, *Inventing a Nonexclusive Patent System*, 111 YALE L. J. 2251 (2002)

who would be eligible to assert the defense and under what conditions a defendant would be eligible for the defense. In addition, section IV also discusses any added costs or burdens that would be placed upon the patent system or the Federal Courts in administering such a system.

Almost any change to the patent law would come with some advantages and disadvantages, this holds true with adding the defense of independent creation to the patent law. Section V discusses some of the possible advantages and disadvantages of the defense. The advantages include possible increase in motivation to disclose and an increase in motivation to invent. On the converse, the disadvantages are similar to the advantages in that they may present a decrease in a motivation to disclose, and a decrease in the motivation to invent. Another possible disadvantage of adding the defense is it would add a level of complexity to future patent infringement litigation; something which Congress sought to eliminate when it switched from a first to invent system to a first to file system. This paper will then compare the advantages and the disadvantages and form an opinion as to whether the defense of independent creation should be added to the patent law, then it will summarize in a conclusion

## II. The Independent Creation Defense in Other Areas of Intellectual Property Law

Certain areas of intellectual property have a defense against infringement for independent creation. In copyright law a defendant can assert a defense of independent creation which could also be called a claim of “I did not copy.” Once a Plaintiff has created a prima facie case of copyright infringement, a defendant can rebut that presumption by

asserting independent creation. A similar defense can also be asserted in trade secret protections cases.

#### A. Independent Creation In Copyright Law

In Copyright law a defendant can assert independent creation to rebut a plaintiff's prima facie case. To establish a prima facie case the plaintiff must prove two things; first, that they have a valid copyright, and second, that copying of constituent elements that are original.<sup>2</sup> Assuming the first element of the prima facie case is established the plaintiff can prove the second element in two ways through direct evidence, or through more indirect means.<sup>3</sup> Evidence of direct copying is rare so plaintiffs must usually resort to indirect means, and will use the substantial similarity test.<sup>4</sup> The substantial similarity test requires a plaintiff to show that the defendant had access to the plaintiff copyrighted work, and that there is a substantial similarity between it and the defendant's work thus giving rise to an inference of copying.<sup>5</sup> The Defendant can rebut this by asserting independent creation. Independent creation is not an affirmative defense; it is a way for the defendant to rebut the plaintiff's prima facie case, which means they are only denying one element of the plaintiff's case. Because the defendant is only rebutting an element of the case the burden of proof stays with the plaintiff. Initially the burden of production remains with the plaintiff; if the plaintiff does not meet this burden it fails to establish a prima facie case<sup>6</sup>. If the Plaintiff does meet the

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<sup>2</sup> See, *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, 499 U.S. 340, 361 (1991).

<sup>3</sup> 1WILLIAM C. HOLMES, *INTELLECTUAL PROPERTY AND ANTITRUST LAW* §4:15 (1983).

<sup>4</sup> *Id.*

<sup>5</sup> *Bridgeport Music, Inc. v. UMG Recordings, Inc.*, 585 F.3d 267, 274 (6th Cir. 2009).

<sup>6</sup> 3 WILLIAM F. PATRY, *PATRY ON COPYRIGHT* § 9:36 (2010).

burden of production then the burden shifts to the defendant to support its denial by a preponderance of the evidence.<sup>7</sup>

An example of when a defendant successfully asserted the defense of independent creation is a case from the Sixth Circuit, *Fogerty v. MGM Group*.<sup>8</sup> This case involved the theme song to the James Bond Movie “The World Is Not Enough,” and another song that was submitted to MGM for consideration to be placed in movies. The Sixth Circuit laid out the framework to be followed in these types of cases. The plaintiff must begin by establishing the two elements of a claim of copyright infringement as described by The Supreme Court in *Feist Publications v. Rural Telephone*; first, ownership of a valid copyright, and second, copying constituent elements of the work that are original. Since there will rarely be direct evidence of copying the Sixth Circuit said a plaintiff can “try to establish an inference of copying by showing (1) access to the allegedly infringed work by the defendant and (2) substantial similarity between the two works at issue.”<sup>9</sup> The court defined access, in this case as it pertains to music as, “hearing or having a reasonable opportunity to hear the plaintiff’s work and thus having the opportunity to copy.”<sup>10</sup> It further said that access may not simply be inferred through “mere speculation and conjecture.”<sup>11</sup> Judge Sutton then went on to describe the second prong required to establish an inference; saying substantial similarity first requires sifting through the unprotected aspects of the work, then asking whether an ordinary observer would believe the two works to be substantially similar. Once a plaintiff

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<sup>7</sup> *See, id.*

<sup>8</sup> *Fogerty v. MGM Group Holdings Corp., Inc.*, 379 F.3d 348 (6th Cir. 2004).

<sup>9</sup> *See, Fogerty*, 379 F.3d at 352.

<sup>10</sup> *See, id.*

<sup>11</sup> *See, id.*

has established both access and substantial similarity, the defendant may rebut this by showing independent creation of the work.

In *Fogerty* the Plaintiff who had submitted their song to MGM for consideration in movies claimed that the defendant, who wrote the James Bond theme to “The World Is Not Enough,” had copied their song. Both of the songs were similar in that they shared a four note sequence, and the plaintiff claimed that the defendant had access because both songs were submitted to MGM. These songs were both submitted to MGM on February 4, 1999, since the defendant could show that they had almost completely finished their song over a month before that and had played it for their assistant, producer, and a few others, they had established independent creation. Since there was a finding of independent creation the Sixth circuit upheld the lower courts granting of summary judgment for the defendant. Many of the other circuits have held that the defense of independent creation can be used to rebut the plaintiff prima facie case in copyright infringement cases.<sup>12</sup>

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<sup>12</sup> See, e.g., *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 915, (7th Cir. 2007) (“If the inference of copying is drawn from proof of access and substantial similarity, it can be rebutted if the alleged copier can show that she instead ‘independently created’ the allegedly infringing work. (Citation omitted). ‘A defendant independently created a work if it created its own work without copying anything or if it copied something other than the plaintiff’s copyrighted work.’”); *Fogerty v. MGM Group Holdings Corp., Inc.*, 379 F.3d 348 (6th Cir. 2004) (affirming summary judgment that even if the plaintiff’s and defendant’s works were substantially similar, unrefuted witness testimony established that the plaintiff independently created his work before having access to the defendant’s work. “Once a plaintiff establishes access and substantial similarity, the defendant may rebut the presumption of copying by showing independent creation of the allegedly infringing work.”); *Calhoun v. Lillenas Publishing*, 298 F.3d 1228, 1232, (11th Cir. 2002) (defendant successfully rebutted prima facie proof of copying from access and substantial similarity, with unrefuted affidavits from witnesses who corroborated his independent creation. “Proof of access and substantial similarity raises only a presumption of copying which may be rebutted by [defendant] with evidence of independent creation.”); *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 110 (2d Cir. 2001) (“Under the Copyright Act, one may market a product identical to a copyrighted work so long as the second comer designed his product independently. See *Feist Publications*, 499 U.S. at 345–46 (‘Originality does not signify novelty; a work may be

## B. Independent Creation in Trade Secret Law

The independent creation may also be used as a defense against a violation of a trade secret. Trade secret protections are weaker in nature than most other forms of intellectual property. The protection that is provided by a trade secret is that any person with whom the protection holder has confided in under the express or implied restriction of non-disclosure or nonuse cannot disclose or use that secret without authority from the trade secret holder.<sup>13</sup> A trade secret also protects the holder if the knowledge is gained not by the owner's volition but some other improper means; such as theft, wiretapping, or even aerial reconnaissance.<sup>14</sup> Trade secret protection does not offer protection against discovery by fair and honest independent invention.<sup>15</sup> This is analogous to independent creation in copyright law, if the trade secret is discovered through research and development or trial and error, in good faith without any improper disclosure of the trade secret; then there has been no violation of any trade secret protections.<sup>16</sup> Trade secrets protection affords the holder even fewer protections than copyright protections because the potential infringer is allowed to reverse engineer a

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original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying.'"); *McGaughey v. Twentieth Century Fox Film Corp.*, 12 F.3d 62 (5th Cir. 1994) (a claim of copyright infringement was defeated by evidence that none of the defendant's authors were aware of the plaintiff's work when independently creating their own work); *Keeler Brass Co. v. Continental Brass Co.*, 862 F.2d 1063 (4th Cir. 1988) (prima facie case of infringement from access and substantial similarity was rebutted by evidence of the defendant's independent creation of his work).1 WILLIAM C. HOLMES, INTELLECTUAL PROPERTY AND ANTITRUST LAW § 4:15. 3 WILLIAM F. PATRY PATRY ON COPYRIGHT § 9:36

<sup>13</sup> *See, Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 475 (1974)

<sup>14</sup> *See, id.* 475-76.

<sup>15</sup> *See, id.*

<sup>16</sup> *See, Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974), *Chicago Lock Co. v. Fanberg*, 676 F.2d 400 (9th Cir. 1982) (reverse engineering data was not improper means).

product. This means they are allowed to have knowledge of the product and try to copy it, as long as they did not gain any knowledge through improper means.<sup>17</sup>

The Third Circuit described how a defense of independent creation applies to trade secret protections in *Moore v. Kulicke & Soffa Industries*.<sup>18</sup> While the facts of the case are not necessary for this paper the courts description of the defense as it operates in trade secret law are. The Court considered whether, under Pennsylvania law, independent creation was an affirmative defense or whether it raises a rebuttable presumption, concluding that it simply raised a rebuttable presumption.<sup>19</sup> Judge Becker then described how the defense works saying that, once the plaintiff has established a prima facie case, the defendant can rebut the plaintiff's this presumption by presenting evidence of independent creation.<sup>20</sup> If the defendant cannot present any evidence of independent creation then the plaintiff has met their burden, if the defendant can present evidence to support is assertion then the fact finder should weigh the evidence, keeping in mind that the plaintiff remains the ultimate burden of proving that the defendant did not arrive at a technique similar to the trade secret through its own independent creation.<sup>21</sup> The defense as applied to trade secret law operates almost identical to the defense as it operates in copyright law.

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<sup>17</sup> *See, id.*

<sup>18</sup> *Moore v. Kulicke & Soffa Industries, Inc.*, 318 F.3d 561 (3d 2003).

<sup>19</sup> *See, id.* at 566

<sup>20</sup> *See, id.*

<sup>21</sup> *See, id.*

### III. Current State of the Patent Law Under The America Invents Act

The Patent laws of the United States remained largely unchanged for nearly 60 years. This changed on September 16<sup>th</sup> 2011 when congress passed the Leahy-Smith America Invents Act or Title 35 of the United States Code.<sup>22</sup> One of the major changes that the America Invents Act made to patent law from The Patent Act of 1952 was the changing of § 102, which determines the patents priority.<sup>23</sup> Under The Patent Act of 1952 the United States used a first to invent system which granted priority to the party who had invented the creation first.<sup>24</sup> Under the America Invents Act the party who is the first to file a patent is considered to have priority.<sup>25</sup> This is a major change that brought the patent laws of the United States more in line with the patent laws of the other major patent systems, such as the one utilized by Europe and Japan.<sup>26</sup>

When two inventors try to patent the same creation, the person with priority will be issued the patent. Priority is determined by a triggering event which is established by 35 U.S.C. § 102.<sup>27</sup> Whichever inventor has an earlier priority date will have a superior claim to the invention than the inventor with the later priority date. The Patent act of 1952 established that an inventor's priority date was determined on the date in which they invented the claimed creation. The first party to reduce to practice the invention will have the earlier

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<sup>22</sup> See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 435 (2011).

<sup>23</sup> See, *id.*

<sup>24</sup> ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 448-449 (5th ed. 2011).

<sup>25</sup> See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 435 (2011).

<sup>26</sup> ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 369 (5th ed. 2011).

<sup>27</sup> 35 U.S.C. § 102 (2011).

priority date. The reduction to practice can be either actual reduction to practice or constructive reduction; such as filing a patent application or describing an invention in such a way that a person of ordinary skill in the art would be able to take that description and create what you are claiming to have invented

The America Invents Act changed the priority date of patents to the effective filing date.<sup>28</sup> Section 102(a)(1) establishes that a person shall be entitled to a patent unless “the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.”<sup>29</sup> The switch between the first to invent and first to file system, as Congress noted in its debates, makes the tradeoff of ultimate fairness in exchange for the simplification of the administrability of the patent system for the United States Patent and Trademark Office and the Federal Court System.<sup>30</sup> Section 102(a) also changed the requirements for novelty by changing the definition of the prior art. Any prior art reference to the invention that was available to the public would make the invention lose its novelty; this section removed some of the restrictions on disclosure that existed under the pre-America Invents Act statute.<sup>31</sup> This new language was added to show the broad scope that is intended to be given to what constitutes prior art.<sup>32</sup> There are a few exceptions to the rule of what constitutes prior art. The most important is the grace period that covers disclosures by the inventor themselves. Section 102(b)(1)(a) excludes from the prior art any disclosures by the

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<sup>28</sup> See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 437 (2011).

<sup>29</sup> 35 U.S.C. § 102(a)(1) (2011)

<sup>30</sup> See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 453 (2011).

<sup>31</sup> *Id.* at 451.

<sup>32</sup> *Id.* at 466.

inventor themselves made within one year of the effective filing date.<sup>33</sup> Section 102(b)(1)(B) is another important exception that creates the first to disclose grace period. This grace period provides that once an inventor has disclosed to the public their invention, any disclosures by any other parties of the same invention will not act as prior art and will not stop the first party from getting a patent.<sup>34</sup>

Under both the Patent Act of 1952 and the America Invents Act, patent applications are kept confidential for a certain period of time. Section 122(a) which remains unchanged in the America Invents Act from the 1952 act provides that “applications for patents be kept in confidence by the Patent and Trademark Office” and that they will not give out any information contained within the application without the owner’s consent.<sup>35</sup> An application will no longer be confidential and disclosed once the patent is issued, or as § 122(b)(1)(A) provides, 18 months after the filing date, whichever comes sooner.<sup>36</sup> This means that for possibly up to 18 months an application for a patent on an invention may be under review by the USPTO but it has not yet been disclosed to the public in any way.

The America Invents Act has created a very limited defense for patent infringers if they were prior users of the patented invention. This defense is codified in §273 of the America Invents Act entitled “defense to infringement based on prior commercial use.”<sup>37</sup> In § 273(a) a person is entitled to a defense against infringement with respect to subject matter that involved; a process, or a machine, article or composition of matter used in a commercial

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<sup>33</sup> 35 U.S.C. § 102(b)(1)(a) (2011).

<sup>34</sup> See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 483 (2011).

<sup>35</sup> 35 U.S.C. § 122 (2011).

<sup>36</sup> 35 U.S.C. § 122(b)(1)(a) (2011).

<sup>37</sup> 35 U.S.C. § 273 (2011).

process, if it meets two conditions. The first condition is in §273(a)(1) which states; “such person, acting in good, faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm’s length sale or other arm’s length commercial transfer of a useful end result of such commercial use.”<sup>38</sup> The second condition is in §273(a)(2) and it requires that “such commercial use occurred at least one year before the earlier of either; the effective filing date of the claimed invention, or the date on which the claimed invention was disclosed to the public in a manner that qualified as an exception to the prior art under §102(b).”<sup>39</sup> This rule allows a party to have a defense against infringement if they were using the later patented invention for a year or more prior to the priority date of the patent, or the patentee’s public disclosure.

#### IV. The Independent Creation Defense in the Patent Law, Who Would Qualify For It, and It’s Administrability

The independent creation defense as applied to patent law could be fashioned similar to the one used in copyright law if it was modified to fit the needs of the patent system. Under the America Invents Act there is no defense against infringement for independent creation. There is only a very limited defense for prior commercial use, which only covers users who were using the invention for one year prior to the potential patent holder’s effective filing date or public disclosure. If the party filing for the patent chooses not to make any public disclosures and files for a patent; the invention described in the patent will not be disclosed until the patent is granted, or for eighteen months, whichever comes sooner. When you combine the eighteen month confidentiality period provided by the Patent and

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<sup>38</sup> 35 U.S.C. § 273 (a)(1) (2011).

<sup>39</sup> 35 U.S.C. § 273 (a)(2) (2011).

Trademark Office with the more than one year language from the prior commercial use defense, there is a thirty month period where a user who had no way of discovering the patentees invention could be held liable for infringement for use past the issuing of the patent.

This could lead to possible situations where a party may independently invent an article, machine, process or composition of matter, and begin to put it to commercial use before the patent is granted, only to be forced to stop using it once the patent is granted. The non-patentee user may have spent considerable time and capital to create the invention that they have begun to put to commercial use. Under the America Invents Act the non-patentee user would have no choice but to try to negotiate a license with the patent holder or not use the invention until the patent on it expires. Under the Patent Act of 1952 and its first to invent system a non-patentee commercial user would not only have a defense against infringement but also grounds to assert that the patent holders patent is invalid because it does not meet the novelty requirements of §102. In Addition a non-patentee secret user would have a defense against infringement as long as they could prove that they were the first party to invent the subject matter of the patent. The change from a first to invent to a first to file has led to major changes in who could assert a defense to infringement.

The independent creation defense that is found in other areas of intellectual property law could be applied to the patent system if it is tailored to fit the patent law. In copyright law, in order to prevail in a suit for infringement the plaintiff needs two things; a valid copyright and that there was copying of constituent elements that are original.<sup>40</sup> To prevail in a suit for an infringement of a patent a plaintiff must again establish two things, that they

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<sup>40</sup> Feist Publications, Inc. v. Rural Telephone service Co., Inc., 499 U.S. 340, 361 (1991).

have a valid patent, and that the second user made, used, or sold their patented invention.<sup>41</sup>

Even though the second elements of the infringement claims seem similar, what is required to prove them has a major difference. To prove copying in a copyright case, absent of any direct evidence, a plaintiff must show that the defendant had access to their copyrighted work and that the two works are substantially similar<sup>42</sup>. The patent law does not require any proof of access. All that is required is for the plaintiff to show that the defendant made used or sold their patented invention. Where copyright law requires knowledge and similarity, patent law requires only similarity<sup>43</sup>.

For the majority of infringement actions the America Invents Act creates a reasonable and fair rule for infringement. No knowledge is required to establish infringement because a defendant in most infringement cases would be put on constructive notice of the plaintiff's patent when it is published. Even if the defendant in good faith had no knowledge of the plaintiff's patent, they are still considered to have constructive knowledge because the patent

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<sup>41</sup> 1 WILLIAM C. HOLMES, INTELLECTUAL PROPERTY AND ANTITRUST LAW § 4:15 (1983).

<sup>42</sup> See, *Fogerty* 379 F.3d at 352.

<sup>43</sup> *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 915 (7th Cir. 2007) (“If the inference of copying is drawn from proof of access and substantial similarity, it can be rebutted if the alleged copier can show that she instead ‘independently created’ the allegedly infringing work. (Citation omitted). ‘A defendant independently created a work if it created its own work without copying anything or if it copied something other than the plaintiff's copyrighted work.’”); *Fogerty v. MGM Group Holdings Corp., Inc.*, 379 F.3d 348 (6th Cir. 2004) (affirming summary judgment that even if the plaintiff's and defendant's works were substantially similar, unrefuted witness testimony established that the plaintiff independently created his work before having access to the defendant's work. “Once a plaintiff establishes access and substantial similarity, the defendant may rebut the presumption of copying by showing independent creation of the allegedly infringing work.”); *Calhoun v. Lillenas Publishing*, 298 F.3d 1228, 1232, (11th Cir. 2002) (defendant successfully rebutted prima facie proof of copying from access and substantial similarity, with unrefuted affidavits from witnesses who corroborated his independent creation. “Proof of access and substantial similarity raises only a presumption of copying which may be rebutted by [defendant] with evidence of independent creation.”); *In re Seagate Technology, LLC*, 497 F.3d 1360, 1368 (Fed. Cir 2007) (stating that patent Infringement is a strict liability offense); *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1381 (Fed. Cir. 2007) (stating that direct Infringement is a strict liability offense).

is on file with the Patent and Trademark Office<sup>44</sup>. Copyright holders must establish actual notice because there is no disclosure requirement necessary to get copyright protection; it is copyrighted once it is fixed in a tangible expression. This protects defendants from infringing a work they could not possibly have copied, and their similar work was created through their own artistic expression<sup>45</sup>.

The current status of the law could allow for scenarios where some inventors could fall through the cracks. There could be situations where an inventor begins to commercialize an invention or attempts to file a patent after the effective filing date of another party but before the patent is issued. This could create a possibility that the inventor had no actual or constructive notice of the application if it was not disclosed by the inventor, because the Patent and Trademark Office keeps the applications confidential. Adding an independent creation defense to the patent law would protect inventors like the one in this paragraph who had invested time and capital to develop an invention they believed they could market in good faith. Under the defense it should not matter who was the first to invent, or if the independent creator invented before or after the effective filing date of the patent, because Congress expressly denied this as a possible consideration when it switched to the first to file system under the America Invents Act. What should be considered is if a defendant in an infringement proceeding began to commercialize the invention in a time after the filing date but before the patent's subject matter was disclosed to the public. If the defendant can establish that they had a commercial use of the product after the filing date but before public

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<sup>44</sup> ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 797 (5th ed. 2011).

<sup>45</sup> See, *Feist Publications, Inc. v. Rural Telephone service Co., Inc.*, 499 U.S. 340 (1991).

disclosure they would have a defense against infringement after the patent is granted to the plaintiff, because they independently invented the same creation in good faith.

The defendant would only have a defense to infringement against the plaintiff/patentee and would be afforded no other protections under the patent law. They would not be allowed to bring infringement suits against other third parties. If the patentee had licensed their patent to a third party, the independent creator would have no standing to interfere with that arrangement. The independent creator would also not be entitled to bring suits against other parties who infringed the patent, that right would only be afforded to the patent holder. This would differ from the protections afforded to independent creators under copyright law. Both the first in time creator and the independent creator are entitled to a copyright, and the full protection that a copyright affords.

The defense of independent creation in patent law could use a framework similar to the framework used in copyright law. In copyright law, to establish copying the plaintiff must prove access or knowledge, and substantial similarity. Then a defendant can assert independent creation to rebut one of these elements of a prima facie case. If the plaintiff cannot produce evidence to rebut the defense then they will fail. The framework could be similar in the patent law. In a case for patent infringement, assuming there is a valid patent, the plaintiff would show that the defendant violated the patent by making, selling or using the invention claimed in the patent. The defendant could then rebut the plaintiff's prima facie case by asserting the independent creation defense. The defendant would have to establish that they did not have even constructive notice of the patented subject matter because the inventor did not publically disclose and the application was held secret; and that they began to use the patented subject matter commercially sometime after the effective filing date of

the patent and sometime before public disclosure. The plaintiff would then be able to rebut this with evidence; if they could not then they would not succeed in their infringement claim.

In summary, the proposed independent creation defense would operate like it does in copyright law but tailored to suit the patent law. It would only apply to independent creators who begin to commercially use their invention after the effective filing date of the patent, but before the issue of the patent or the patentee's public disclosure, regardless of when the independent creator actually invented their creation. Unlike copyright law, the defense would only act as a shield against infringement suits by the patent holder, and not a sword which the independent creator could use to enforce patent rights against any other party. The defense would create a rebuttable presumption to the plaintiff's prima facie case, which if the plaintiff could not rebut, they would fail in their claims.

#### V. The Advantages and Disadvantages of Creating an Independent Creation Defense

Creating an independent creation defense would have both advantages and disadvantages. It would have positive effects and negative effects on inventor's incentive to invent. They would also have both positive and negative effects on potential patentees incentive to make public disclosures about their inventions. It would also add new challenges to the administrability of the patent system overall.

## A. Advantages of an Independent Creation Defense

The defense of independent creation may help create some incentive to inventors in certain situations. A party that sees a need that an invention could fulfill and for which there would be a market, would have incentive to create an invention to fulfill that need. If the party would need to expend significant time or capital to create this invention they would want a significant probability that once ready the invention would be profitable. Under the America Invents Act if there was not a significant probability that the item would be patentable because there is a significant chance another party had filed a patent application first, it would decrease motivation to begin the research and development necessary to bring an invention to market. A company would be able to assert an independent creation defense if a competitor was first to file for a patent, it might restore some of the incentive to expend the resources to invent because the party would be able to recover the cost on future sales, even though they would not be able to get a patent.

The defense would also motivate inventors filing for a patent to disclose to the public their invention as soon as possible. In order to prevent an independent creator from having defense against infringing, the patentee would be motivated to disclose the subject matter contained in their patent as soon as they file for the patent. This furthers the main goal of the patent system, which is encouraging inventors to disclose their inventions in exchange for a monopoly. The independent creation defense serves both society and inventors; the inventors will be encouraged to disclose inventions sooner because if they do they will be guaranteed their monopoly by eliminating the window in which an independent creator can originate. The increased incentive to disclose earlier may also further the patent systems goal of having inventions disclosed in another way. If a potential patentee discloses their invention in an

attempt to thwart any future independent creators, but then the patent is not granted, the inventor has disclosed something that there is a significant chance they would have kept secret if not for the added incentive to disclose early. This could lead to a potential increase in inventions that are disclosed, without leading to an increase in patented inventions.

#### B. Disadvantages of an Independent Creation Defense.

Allowing for a defense of independent creation will also lessen motivation to invent in certain cases. If the cost or research and development are very high on bringing an invention to the stage of patentability, the only way for an inventor to recover their costs might be for them to have an exclusive monopoly. If the patentee did not have an exclusive monopoly, because an independent creator was also making, using, or selling the invention, they might not be able to make a profit on their invention. This might lead potential investors not to invest in future projects unless there is a potential for a larger return that would be less affected by an independent creator. This potential chilling of incentive may have effects on markets with large social utility such as the medical and pharmaceutical fields. This may also have a chilling effect in the technology market where a patented inventions life cycle is less than the 20 year term of the patent, which requires a patentee to recover their research costs in less time than a traditional invention.

Allowing a defense could possibly add a new level of complexity to patent litigation that Congress was seeking to eliminate when switching to the first to file system. In the congressional debates on the America Invents Act one of the major reasons given for switching to a first to file system from a first to invent system was it would reduce the complexity of the old patent system under the Patent Act of 1952. In the old system there

were many costly litigations caused by many different areas of the complex system. One such problem was when applicants would file continuations and purposely delay the granting of a patent so they could amend it as new art was introduced to the field. These so called “submarine” patents could be delayed for many years and when they were finally issued the patent holder could sue many users who had not realized there was a patent pending on the subject matter. One famous example is Jerome Lemelson who filed a patent in 1954 for a video camera that viewed an assembly line for quality control, over the years many continuations were filed, and eventually the application was amended to cover bar code technology. When the patent was finally granted in the 1980s Lemelson sued many industries using bar codes and collected over one billion dollars in damages. These submarine patents lead to much costly litigation.<sup>46</sup>

Another area that led to costly litigation was who was actually the first inventor and whether a patentee had a valid patent. Many patentees would have to engage in costly litigation to protect the validity of their patents. In addition, infringers would claim that they were the first to invent, which lead to very fact intensive litigation to determine who was actually the first inventor, or who was the first to reduce it to practice either constructively or actually.

To remedy all these complexities that were leading to litigation Congress changed the system under the America Invents Act. To prevent submarine patents Congress amended §154. The patents term was now 20 years from the filing date, and was no longer 20 years from the date the patent was issued. To prevent litigation over who was first to invent,

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<sup>46</sup>See, Michelle Armond, *Introducing the Defense of Independent Invention to Motions for Preliminary Injunctions in Patent Infringement Lawsuits*, 91 CALIF. L. REV. 117, 117- 121 (2003).

Congress switched to a first to file system; while the system does encourage a race to the patent office, it also simplifies who has priority. From these changes it is clear that Congress intended to simplify the administrability of the patent system.

Adding the independent creation defense to the patent law would remove some of the simplicity that congress aimed to create under the America Invents Act. When the defense is used in court it would add another level of complexity to the litigation. Under the current system, once a plaintiff establishes that they have a valid patent and that the defendant made, used, or sold the patented invention, they can succeed in their claim. Asserting the independent creation defense would require factual findings that are not necessary under the current scheme. Such findings would have to prove whether or not the defendant had actual or constructive knowledge of the plaintiff patent, and whether they began to put the patented invention to commercial use during the period after filing but before issuing of the patent or disclosure. These types of factual findings are clearly what Congress sought to eliminate under the America Invents Act<sup>47</sup>.

### C. Weighing the Advantages Compared to the Disadvantages

The advantages of adding an independent creation defense to the patent law would outweigh the disadvantages. As proposed the defense would be very limited because as proposed it would only apply to secondary creators who fit into the very specific conditions of the defense. Independent creators who do not fall in the limited eighteen month time limit of non-disclosure, and who do not commercialize during this time period would be afforded no additional rights. In addition the independent creator would not have rights that resembled

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<sup>47</sup>See, Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 454 (2011).

those of a patent holder, but would only have the ability to assert a defense against infringement on the invention they independently created. The defense is very narrowly tailored to not be any more broad than is necessary.

Since a party filing for a patent application would be able to prevent any other parties from being able to assert this defense its effect on incentives to invent would presumably be minor, and may even serve to increase motivation. If an applicant makes a public disclosure either before or on the day of filing their application they would be able to stop any potential infringer from asserting a defense of independent creation. If all applicants were to choose to disclose earlier there would presumably be no change in incentives because it would stop any other parties from having a right to use the patented invention and the patent system would operate similar to the way it exists without an independent creation defense. Also, it may help create an incentive to invent because if a party cannot find any public disclosures of a planned invention they can presume that they will either be able to apply for a patent once they have completed their development of their idea, or they would be allowed to practice their invention if they commercialize it during the confidentiality period of another inventor. This would help to create incentives to invent because a potential inventor will be more likely to be able to recover some development costs associated with commercializing an invention. In addition, the independent creation defense would serve as incentives for applicants to disclose their inventions sooner, which would further the goals of the patent system.

Determining any additional costs an independent creation defense would add to the administrability of the patent system would be difficult to estimate. It would include some added costs in the form of more complicated infringement suits. Any litigation where a

defendant asserts a defense of independent creation would require a new area of fact finding, which would be required to determine if a secondary user fits the requirements of the defense. This fact finding would not be as difficult as the necessary fact finding under the old first to invent system, because it would only require determining the applicant's priority date, and the independent creator's date of commercialization, which would be less difficult as determining the priority date under the first to invent system. Congress intended to simplify the patent systems administrability when they passed the America Invents Act. While the addition of an independent creation defense would remove some of that simplicity it would not be a major addition to the burden of administrability.

## VI. Conclusion

Allowing an independent creation defense in the patent system would have both advantages and disadvantages. The ultimate question is would the advantages outweigh the disadvantages, making that addition of an independent creation defense a prudent decision or would it be the other way around making the addition unwise or unnecessary. If the independent creation defense is limited to only cover the narrow set of users that begin to commercially use an invention during the period after filling for a patent but before disclosure, it will have little effect on the vast majority of patent infringement cases. The addition of this defense would also help restore some of the fairness that existed under the first to invent system. Under that system the first person to reduce an invention to practice was awarded the patent, this system was focused on ultimate fairness. Under the first to file system some of this ultimate fairness was sacrificed in exchange for administrability. If the independent creation defense is used in a first to file system an inventor who did the necessary diligence to determine if their invention was novel would not be barred from using

the invention because another's invention was patent pending but not disclosed to the public. In addition, an independent creation defense would likely increase incentives to disclose and increase incentives to invent. This defense is very narrowly tailored and would only affect a small subset of cases, while providing a defense for inventors who had created in good faith. For the forgoing reasons the independent creation defense would benefit the patent system as a whole.