Mr. Speaker, on this fortieth anniversary of Hayes winning an Olympic gold medal, I commend and thank him for his service and dedication to our community.

TRIBUTE TO WEST BRANCH HOSPITAL

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 8, 2004

Mr. STUPAK. Mr. Speaker, I rise today in recognition of a hospital in my district that has recently passed a remarkable milestone. On October 25, the board of trustees and members of the staff at the West Branch Regional Medical Center, formerly known as the Tolfree Memorial Hospital in West Branch, MI, will celebrate their 75th anniversary. For the past 75 years, the West Branch Regional Medical Center has provided service and care to patients in West Branch area.

The original Tolfree Memorial Hospital was built in West Branch in 1929, through the generosity and vision of local farmer, lumberman and banker John Tolfree. Over the years, as the community grew and the hospital became more regional in scope, several additions were constructed.

In 1991, it was determined by the Tolfree Memorial Hospital's Board of Trustees that the region had outgrown the facility. After careful financial planning which included fundraising, ground was broken for what is now known as the West Branch Regional Medical Center in 1996. The center was dedicated in 1999 and has been successfully serving Ogemaw County and the surrounding counties ever since. Patients no longer have to travel to Saginaw, MI, which is over an hour away.

West Branch Regional Medical Center is the result of many dedicated people who from the beginning had the foresight and the dedication to see this hospital grow with the community and become a regional medical facility.

In the tradition of the past administration, the current board of trustees for the West Branch Regional Medical Center have also recognized they could offer more services to the community. Along with celebrating their 75 years of service, on October 25, the West Branch Regional Medical Center will also unveil its plan for the next 3 to 5 years which includes the construction of an Ambulatory Care Center.

Mr. Speaker, I ask the U.S. House of Representatives to join me in congratulating the West Branch Regional Medical Center and its staff on their first 75 years of service and wishing them well in their next 75 years.

RECOGNIZING CENTER FOR CIVIL EDUCATION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 8, 2004

Mr. WAXMAN. Mr. Speaker, today I'd like to recognize the important work of the Center for Civic Education and the upcoming Second Annual Congressional Conference on Civic Education, which will be held this December in Washington, DC.

The Center for Civic Education plans annual congressional conferences to focus attention on the importance of civic preparation and engagement in the United States. The first conference was sponsored by the Alliance for Representative Democracy and hosted by the Joint Leadership of the United States Congress here in Washington in September 2003.

The 2003 conference led to the formation of state delegations that are currently working on policies that will restore the civic mission of our schools, consistent with each state's unique education structure. I'd like to commend the California delegation and its facilitator, Roy Erickson, for their leadership in the current efforts to design an action plan for our state. California is creating coalitions of stakeholders in public education who will build support for, develop and implement high quality civic education programs. Through these programs, we will ensure that our youth have the necessary civic knowledge, skills and attitudes to be engaged citizens. I want to express my strong support for the Center for Civic Education's efforts to increase democratic participation, and for the work of the upcoming conference.

THE PATENT QUALITY ASSISTANCE ACT OF 2004

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 8, 2004

Mr. BERMAN. Mr. Speaker, today I join Representative BOUCHER in introducing the Patent Quality Assistance Act of 2004, PQA Act. Introduction of this legislation comes almost exactly one year after release of a Federal Trade Commission report entitled ''To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy,'' and several months after release of ''A Patent System for the 21st'' Century'' by the National Research Council. These reports both made a number of recommendations for increasing patent quality and ensuring that patent protection promotes, rather than inhibits, economic growth and scientific progress. Consistent with the goals and recommendations of those reports, the PQA Act contains a number of provisions designed to improve patent quality, deter abusive practices by unscrupulous patent holders, and provide meaningful, low-cost alternatives to litigation for challenging the patent validity.

I am a strong believer that the prospect of patent protection promotes innovation. However, I also believe that the patent system is strongest, and incentives for innovation greatest, when patents protect only truly deserving inventions. When functioning properly, the patent system should encourage and enable inventors to push the boundaries of knowledge and possibility. If the patent system allows questionable patents to issue and does not provide adequate safeguards against patent abuses, the system may stifle innovation and interfere with competitive market forces.

This bill represents our latest thoughts in an ongoing discussion about legislative solutions to patent quality concerns. We have considered the multitude of comments received on patent bills in years past, and acknowledge the problems to be difficult and, as yet, without consensus solutions. It is clear, however, that introduction of specific legislation focuses and advances the discussion. It is also clear that the problems with the patent system have become exacerbated, rather than dissipating. With or without consensus, Congress must act soon to address these problems.

Thus, we introduce this bill at the end of this Congress with the intent of framing the debate going into the 109th Congress, and with every intention of passing legislation in the next two years.

The bill contains a number of initiatives to improve patent quality and ensure patents are positive forces in the marketplace.

Section 2 creates a post-grant opposition procedure. In certain limited circumstances, opposition allows parties to challenge a granted patent through a expeditious and less costly alternative to litigation.

Sections 3 and 4 permit patent examiners, within a limited time frame, to consider certain materials submitted by third parties regarding a pending patent application. Allowing such third party submissions will increase the likelihood that examiners are cognizant of the most relevant prior art, and therefore constitute a front-end solution for strengthening patent quality.

Section 5 addresses the inequitable incentives that exist between patent holders who indiscriminately issue licensing letters, and the parties who receive these letters. Patent holders frequently assert that another party is using a patented invention, and for a fee, offer to grant a license for such use. Current law provides no disincentive to indiscriminate and unfounded issuance of such licensing letters.

Conversely, parties receiving such licensing letters have a strong incentive to pay up even if they believe they are not engaged in infringement. Once in receipt of such a letter, the recipient faces no good options. If he ignores the letter, the recipient may be liable for treble damages as a willful infringer. The recipient can avoid being found a willful infringer if he obtains an opinion from a patent attorney that the recipient is not committing infringement, but such letters frequently cost up to $50,000. A recipient cannot, however, file for a declaratory judgement of non-infringement unless the licensing letter creates a ''Case or Controversy,'' and of course these letters are typically drafted to avoid meeting this threshold.

Section 5 addresses this inequitable situation. It ensures that recipients of licensing letters will not be exposed to liability for willful infringement unless the letter gives rise to a ''Case or Controversy'', and thus, allows the recipient to seek a declaratory judgement.

Section 6 is designed to address the deleterious effect on innovation created by patent ''trolls.'' We have learned of innumerable situations in which patent holders, who made no effort to commercialize their inventions, waited in the shadows until another party had invested substantial resources in a business or product that may infringe on the unutilized invention. The patent troll then steps out of the shadows and demands that the alleged infringer pay a significant licensing fee to avoid an infringement suit. The alleged infringer often feels compelled to pay almost any price named by the patent troll because, under current law, a permanent injunction issues automatically upon a finding of infringement. Issuance of a permanent injunction would, in