Louisiana Avenue, Northwest. This property is adjacent to the Capitol Grounds.

The Union plans to demolish its existing headquarters and construct a new larger facility. In order to do this, a small section of parking spots and a sidewalk on Louisiana Avenue will be closed for about 2 years.

Let me be clear about the affected area along Constitution Avenue and Louisiana Avenue. It is the curbside lane between 1st and 2nd Street, Northwest only. This authority in no way extends beyond those two streets insofar as the Capitol Grounds are concerned.

This activity will not interfere with the needs of Congress and will not cost the government. The building owners will restore all affected areas of the Capitol Grounds to its original condition once construction is complete.

I support this resolution wholeheartedly and urge my colleagues to join in support.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

First, Mr. Speaker, may I thank the gentleman from Pennsylvania (Mr. SHUSTER) for the way in which he has shepherded this matter through committee and to the floor. I am very grateful for the attention he has given it. May I also thank the distinguished ranking member, the gentleman from Minnesota (Mr. OBERSTAR) for his invaluable assistance in getting this matter to the floor this evening. I very much appreciate the work of my own chairman, the gentleman from New Jersey (Mr. FRANKS) who in committee today was careful to see that this matter came and was expeditiously handled in the subcommittee itself. This straightforward resolution will allow the Architect of the Capitol to permit temporary construction and necessary other work on the Capitol grounds. The site is along Constitution Avenue in my district between Second Street and Louisiana Avenue Northwest and along Louisiana to First Street Northwest.

The construction project will create a high end building with class A office space right here at the foot of Capitol Hill. The new building will be 10 stories high and will contain 500,000 square feet. The Architect has requested a resolution to permit the temporary closing of the curb lane along Louisiana Avenue and Constitution Avenue.

Again I want to thank the gentleman from New Jersey for the very expeditious way in which he has handled this matter and for his continued support for activities that positively affect the economic health of the Nation's capital, the District of Columbia.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR), the ranking member of the Committee on Transportation and Infrastructure.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time. I rise to support the resolution and to express my great appreciation to the gentleman from Pennsylvania (Mr. SHUSTER) for moving so expeditiously on this matter which is very important for the carpenters union for the replacement and construction of this facility so near to the Capitol. I appreciate the support of the chairman of the subcommittee also for acting so quickly. I want to compliment the gentleman from the District of Columbia on her steadfast persistence and leadership on this matter. She is a true advocate and champion for the District and a great voice.

This facility has one of the prime locations in all of Washington. It shall be very interesting to see the facility removed and reconstructed. I understand that there is a splendid plan to replace that facility. It is very important to all who are concerned, not only those building the structure but those who are going to rent, the various associations that would be a part of this.

I just wanted to rise and express my great appreciation to the majority for moving so quickly on a matter of such timely importance to those involved and again to compliment the gentleman for her leadership and express my great appreciation to the gentleman from Pennsylvania (Mr. SHUSTER) for his cooperation.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume. I very much appreciate the remarks of the ranking member, the gentleman from Minnesota (Mr. OBERSTAR). I do want to say that I know that the carpenters union is as grateful for the way in which this has been handled this evening as I am. I want to assure the House that the matter under construction has received already the approval of the appropriate Federal and local authorities and will continue to go through those approvals. We needed only now the approval of the House to make sure the construction could indeed proceed.

Mr. Speaker, I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLENN of Florida). The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 167.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.
CONGRESSIONAL RECORD—HOUSE

August 3, 1999

TITLE VI—PATENT AND TRADEMARK OFFICE

Sec. 601. Short title.

Subtitle A—United States Patent and Trademark Office

Sec. 610. Establishment of Patent and Trademark Office.

Sec. 612. Powers and duties.

Sec. 613. Organization and management.

Sec. 614. Public Advisory Committees.

Sec. 615. Patent and Trademark Office funding.

Sec. 616. Conforming amendments.

Sec. 617. Trademark Trial and Appeal Board.

Sec. 618. Board of Patent Appeals and Interferences.

Sec. 619. Annual report of Director.

Sec. 620. Suspension or exclusion from practice.

Sec. 621. Pay of Director and Deputy Director.

Sec. 622. Study on Alternative Fee Structures.

Subtitle B—Effective Date; Technical Amendments

Sec. 631. Effective date.

Sec. 632. Technical and conforming amendments.

Subtitle C—Miscellaneous Provisions

Sec. 641. References.

Sec. 642. Exercise of authorities.

Sec. 643. Savings provisions.

Sec. 644. Transfer of assets.

Sec. 645. Delegation and assignment.

Sec. 646. Authority of Director of the Office of Management and Budget with respect to functions transferred.

Sec. 647. Certain vesting of functions considered transfers.

Sec. 648. Availability of existing funds.

Sec. 649. Definitions.

TITLE VII—MISCELLANEOUS PATENT PROVISIONS

Sec. 701. Provisional applications.

Sec. 702. International applications.

Sec. 703. Certain limitations on damages for patent infringement not applicable.

Sec. 704. Electronic filing and publications.

Sec. 705. Study and report on biological deposits in support of biotechnology patents.

Sec. 706. Prior inventions.

Sec. 707. Prior art exclusion for certain commonly assigned patents.

TITLE I—INVENTORS' RIGHTS

SEC. 101. SHORT TITLE.

This title may be cited as the “Inventors' Rights Act”.

SEC. 102. INVENTION PROMOTION SERVICES.

Part I of title 35, United States Code, is amended by adding after chapter 4 the following chapter:

“CHAPTER 5—INVENTION PROMOTION SERVICES

“Sec. 51. Definitions.

“52. Contracting requirements.


“54. Reports to customer required.

“55. Mandatory contract terms.

“56. Remedies.

“57. Records of complaints.

“58. Fraudulent representation by an invention promoter.


“51. Definitions

“For purposes of this chapter—

“(1) the term ‘contract for invention promotion services’ means a contract by which an invention promoter undertakes invention promotion services for a customer;—

“(2) the term ‘customer’ means any person, firm, partnership, corporation, or other entity who enters into a financial relationship or a contract with an invention promoter for invention promotion services;—

“(3) the term ‘invention promoter’ means any person, firm, partnership, corporation, or other entity who offers to perform or performs for, or on behalf of, a customer any act described under paragraph (4), but does not include—

“(A) any department or agency of the Federal Government or of a State or local government;—

“(B) any nonprofit, charitable, scientific, or educational organization, qualified under applicable State law or described under section 170(b)(1)(A) of the Internal Revenue Code of 1986;—

“(C) any person duly registered with, and in good standing before, the United States Patent and Trademark Office acting within the scope of that person’s registration to practice before the Trademark Office, except when that person performs any act described in subparagraph (B) or (C) of paragraph (4); or—

“(D) any person or entity involved in the evaluation to determine commercial potential of, or offering to license or sell, a utility patent or a previously filed nonprovisional utility patent and the invention promotion services provided in connection therewith.

“(4) the term ‘invention promotion services’ means, with respect to an invention by a customer, any act involved in—

“(A) evaluating the invention to determine its protectability as some form of intellectual property, other than evaluation by a person licensed by a State to practice law who is acting solely within the scope of that person’s professional license;—

“(B) evaluating the invention to determine its commercial potential by any person for purposes other than providing venture capital; or—

“(C) marketing, brokering, offering to license or sell, or promoting the invention or providing services in connection therewith, or services in support of the invention, or services in support of the invention and the invention promotion services shall have a contract for invention promotion services by sending a written letter to the invention promoter stating the customer’s intent to cancel the contract.

“The letter of termination shall be submitted to the Patent and Trademark Office acting within the scope of such person’s registration to practice before the Trademark Office, except when that person performs any act described in subparagraph (B) or (C) of paragraph (4).

“§52. Contracting requirements

“(a) In General.—(1) Every contract for invention promotion services shall be in writing and shall be subject to the provisions of this chapter. A copy of the signed written contract shall be given to the customer at the time the customer enters into the contract.

“(2) If a contract is entered into for the benefit of a third party, the identity and address of such party shall be disclosed by such party’s agent and such party shall be considered a customer for purposes of this chapter.

“(b) REQUIREMENTS OF INVENTION PROMOTER.—The invention promoter shall—

“(1) state in a written document, at the time a customer enters into a contract for invention promotion services, whether the usual business practice of the invention promoter is to—

“(A) seek more than 1 contract in connection with an invention; or—

“(B) seek to perform services in connection with an invention in more phases, with the performance of each phase covered in 1 or more subsequent contracts; and—

“(2) supply to the customer a copy of the written document together with a written summary of the usual business practices of the invention promoter, including—

“(A) the usual business terms of contracts;—

“(B) the approximate amount of the usual fees or other consideration that may be required from the customer for each of the services provided by the invention promoter.

“(c) RIGHT OF CUSTOMER TO CANCEL CONTRACT.—(1) Notwithstanding any contractual provision to the contrary, a customer shall have the right to terminate a contract for invention promotion services by sending a written letter to the invention promoter stating the customer’s intent to cancel the contract.

“The letter of termination must be deposited with the United States Postal Service on or before 5 business days after the date upon which the customer or the invention promoter executes the contract, whichever is later.

“(2) Delivery of a promissory note, check, bill of exchange, or negotiable instrument of any kind to the invention promoter or to a third party for the benefit of the invention promoter, without regard to the date or dates appearing in such instrument, shall be deemed payment received by the invention promoter on the date received for purposes of this section.

“§53. Standard provisions for cover notice

“(a) CONTENTS.—Every contract for invention promotion services shall have a conspicuous and legible cover sheet attached to the following notice imprinted in boldface type of not less than 12-point size:

“You have the right to terminate this contract. To terminate this contract, you must send a written letter to the company stating your intent to cancel this contract.

“The letter of termination must be deposited with the United States Postal Service on or before five (5) business days after the date on which you or the company execute the contract, whichever is later.

“The total number of inventions evaluated by the invention promoter for commercial potential in the last five (5) years is XXXXX. Of that number, XXXXX received positive evaluations and XXXXX received negative evaluations.

“IF YOU ASSIGN EVEN A PARTIAL INTEREST IN THE INVENTION TO THE INVENTION PROMOTER, THE INVENTION PROMOTER MAY HAVE THE RIGHT TO SELL OR DISPOSE OF THE INVENTION WITHOUT YOUR CONSENT AND MIGHT NOT HAVE TO SHARE THE PROFITS WITH YOU.

“The total number of customers who have contracted with the invention promoter in the past five (5) years is XXXXX. The total number of customers known by this invention promoter to have received license agreements for their inventions.

“The officers of this invention promoter have collectively or individually been affiliated in the last ten (10) years with the following invention promotion companies.

“The names and addresses of all previous invention promotion companies with which the
§ 54. Reports to customer required

With respect to every contract for invention promotion services, the invention promoter shall deliver to the customer at the address specified in the contract, at least once every 3 months throughout the term of the contract, a written report that identifies the contract and includes—

(1) a full, clear, and concise description of the services, materials, and trade show services, including an estimated or projected customer earnings is greater than 3 times the amount awarded, taking the nature of the disclosure, and complete and accurate summaries of all responses received as a result of those disclosures.

§ 55. Mandatory contract terms

(a) MANDATORY TERMS.—Each contract for invention promotion services shall include in boldface type of not less than 12-point size—

(1) the terms and conditions of payment and contract termination rights required under section 52;

(2) a statement that the customer may avoid entering into the contract by not making the initial payment to the invention promoter;

(3) a full, clear, and concise description of the specific acts or services that the invention promoter undertakes to perform for the customer;

(4) a statement as to whether the invention promoter undertakes to construct, sell, or distribute one or more prototypes, models, or devices embodying the invention of the customer;

(5) the full and principal place of business of the invention promoter and the name and principal place of business of any parent, subsidiary, agent, independent contractor, and any affiliated company or person who it is known will perform any of the services or acts that the invention promoter undertaketh to perform for the customer;

(6) if any oral or written representation of estimated or projected customer earnings is given by the invention promoter (or any agent, employee, officer, director, partner, or independent contractor of such invention promoter) shall be deemed a fiduciary relationship; and

(7) a statement of that estimation or projection and a description of the data upon which such representation is based;

(8) a statement setting forth a time schedule for performance of the invention promotion services, including an estimated date by which such performance is expected to be completed.

(b) INVENTION PROMOTER AS FIDUCIARY.—To the extent that the description of the specific acts or services affords direction to the invention promoter with respect to what specific acts or services shall be performed, the invention promoter shall be deemed a fiduciary.

(c) AVAILABILITY OF INFORMATION.—Records and correspondence described under subsection (a)(7) shall be made available after 7 days written notice to the customer, or the representative of the customer to review and copy at a reasonable cost on the invention promoter's premises during normal business hours.

§ 56. Remedies

(a) IN GENERAL.—(1) Any contract for invention promotion services that does not comply with the applicable provisions of this chapter shall be voidable at the option of the customer.

(2) Any contract for invention promotion services entered into in reliance upon any material false, fraudulent, or misleading information, representation, notice, or advertisement of the invention promoter (or any agent, employee, officer, director, partner, or independent contractor of such invention promoter) shall be voidable at the option of the customer.

(3) Any waiver by the customer of any provision of this chapter shall be deemed contrary to public policy and shall be void and unenforceable.

(b) CIVIL ACTION.—(1) Any customer who is injured by a violation of this chapter by an invention promoter or by any material false, fraudulent, or misleading representation, or any omission of material fact, by an invention promoter (or any agent, employee, director, officer, partner, or independent contractor of such invention promoter) or by failure of an invention promoter to make all the disclosures required under this chapter, may recover in a civil action against the invention promoter (or the officers, directors, or partners of such invention promoter) in addition to reasonable costs and attorneys' fees, the greater of—

(A) $5,000; or

(B) the amount of actual damages sustained by the customer.

(2) Notwithstanding paragraph (1), the court may increase damages to not more than 3 times the amount awarded, taking into account past complaints made against the invention promoter that resulted in regulatory sanctions or other corrective actions based on those records compiled by the Director under section 57.

(c) REPUTABLE PRESUMPTION OF INJURY.—For purposes of this section, substantial violation of any provision of this chapter by an invention promoter or execution by the customer of a contract for invention promotion services in reliance on any material false or fraudulent statements or representations or omissions of material fact shall establish a rebuttable presumption of injury.

§ 57. Records of complaints

(a) RELEASE OF COMPLAINTS.—The Director may make all complaints received by the United States Patent and Trademark Office involving invention promoters publicly available, together with any response of the invention promoter.

(b) REQUEST FOR COMPLAINTS.—The Director may request complaints relating to invention promotion services from any Federal or State agency and include such complaints in the records maintained under subsection (a), together with any response of the invention promoters.

§ 58. Fraudulent representation by an invention promoter

Whoever, in providing invention promotion services, knowingly provides any false or misleading statement, representation, or omission of material fact to a customer or fails to make all the disclosures required under this chapter, shall be guilty of a misdemeanor and fined not more than $10,000 for each offense.

§ 59. Rule of construction

Except as expressly provided in this chapter, no provision of this chapter shall be construed to affect any obligation, right, or remedy provided under any other Federal or State law.
known to the public, except that the subject matter of such commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including in section 156(g), shall be deemed ‘commercially used’ and in ‘commercial use’ during such regulatory review period.

(2) The case of activities performed by a nonprofit research laboratory, or nonprofit entity such as a university, research center, or hospital, a use for which the public is the intended beneficiary and which would be considered to be a use described in paragraph (1), except that the use—

(A) may be asserted as a defense under this section only for continued use by and in the laboratory or nonprofit entity; and

(B) may not be asserted as a defense with respect to any subsequent commercialization or use outside such laboratory or nonprofit entity;

(3) the term ‘method’ means a method of doing or conducting a business; and

(4) the ‘effective filing date’ of a patent is the earlier of the actual filing date of the application for the patent or the filing date of any earlier United States, foreign, or international application to which the subject matter at issue is entitled under section 119, 120, or 365 of this title.

(5) Preservation of interest.—(a) ADJUSTMENT OF PATENT TERM.—Section 154(b) of title 35, United States Code, is amended by adding at the end the following new item:

"(5) PATENT TERM GUARANTEES.—This title may be cited as the ‘Patent Term Guarantee Act’.

TITLE III—PATENT TERM GUARANTEE

SEC. 201. EFFECTIVE DATE AND APPLICABILITY.

This title and the amendments made by this title shall take effect on the date of the enactment of this Act, but shall not apply to any action for infringement that is pending under section 271 of this title unless the original patent is delayed due to—

(i) any time consumed by continued examination of the application requested by the applicant under section 132(b);

(ii) any time consumed by a proceeding under section 135(a), any time consumed by the imposition of an order pursuant to section 181, or any time consumed by appellate review by the Board of Patent Appeals and Interferences or by a Federal court; or

(iii) any delay in the processing of the application by the Patent and Trademark Office resulting from an appeal as except as permitted by paragraph (3)(C), the term of the patent shall be extended 1 day for each day after the end of that 3-year period until the patent is issued.

(C) GUARANTEES OR ADJUSTMENTS FOR DELAYS DUE TO INTERFERENCES, SECRECY ORDERS, AND APPEALS.—Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to—

(i) a proceeding under section 138(a);

(ii) the imposition of an order pursuant to section 181; or

(iii) appellate review by the Board of Patent Appeals and Interferences or by a Federal court in a case in which the patent was issued, the term of such patent shall be extended for the cumulative total of any periods not more than 1 year before the effective filing date of such patent, and commercially used the subject matter described in such patent during such period.

TITLE III—PATENT TERM GUARANTEE

SEC. 301. SHORT TITLE.

This title may be cited as the ‘Patent Term Guarantee Act’.

SEC. 302. PATENT TERM GUARANTEE AUTHORITY.

(a) ADJUSTMENT OF PATENT TERM.—Section 154(b) of title 35, United States Code, is amended to read as follows:

"(5) PATENT TERM GUARANTEE.— (A) IN GENERAL.—To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days during which the issuance of the patent was delayed.

(B) DISCLAIMER.—No patent the term of which has been disclaimed beyond a specified date may be adjusted under this section beyond the expiration date specified in the disclaimer.

(C) REDUCTION OF PERIOD OF ADJUSTMENT.—(1) The period of adjustment of the term of a patent under paragraph (1) shall be reduced by a period equal to the period of time during which the applicant failed to engage in reasonable efforts to conclude prosecution of the application.

(ii) With respect to adjustments to patent term made under the authority of paragraph (1), if an applicant shall be deemed to have failed to engage in reasonable efforts to conclude prosecution or examination of an application for the cumulative total of any periods not more than 1 year before the effective filing date of such patent is taken to respond to a notice from the Office making any rejection, objection, argument,
SEC. 303. CONTINUED EXAMINATION OF PATENT APPLICATIONS PUBLISHED ABROAD

SEC. 302. PUBLICATION.

(a) Publication.—Section 122(b) of title 35, United States Code, is amended to read as follows:

"(a) Confidentiality of applications; publication of patent applications

"(1) Subject to paragraph (2), each application for patent, except applications for patent term adjustment, shall be kept in confidence by the Patent and Trademark Office and no information concerning any such application shall be given without authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

(b) United States Publication of Applications Published Abroad

"(1) In general.—(A) Subject to paragraph (2), applications for patents shall be kept in confidence by the Patent and Trademark Office and no information concerning any such application shall be given without authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

"(B) The Director shall establish procedures to expedite the publication of patent applications for which a determination of patentability has been made by the Director.

"(C) The Director shall prescribe regulations establishing procedures for the application for and determination of patent term adjustment under this subsection and such regulations shall apply to any application for patent term adjustment made by an applicant on an application filed in a foreign country.

(2) Exception.—An application that is not published shall not be subject to appeal or challenge by a third party to the extent that such an appeal or challenge would result in the publication of the application.

"(b) United States Publication of Applications Published Abroad

"(1) In general.—(A) Subject to paragraph (2), applications for patents shall be published without the express written consent of the applicant except for the following:

"(B) The Director may publish the redacted copy of an application in which the applicant or owner requests in the initial application that the disclosure be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(2) Exception.—(A) The Director shall not publish the redacted copy of an application in which the applicant or owner requests in the initial application that the disclosure be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(B) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(C) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(D) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

SEC. 304. TECHNICAL CLARIFICATION.

(a) CONFIDENTIALITY.—Except as provided in subsection (b), applications for patents that are not published shall be kept in confidence by the Patent and Trademark Office and no information concerning any such application shall be given without authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

(b) UNITED STATES PUBLICATION OF APPLICATIONS PUBLISHED ABROAD

"(1) In general.—(A) Subject to paragraph (2), each application for patent, except applications for patent term adjustment, shall be kept in confidence by the Patent and Trademark Office and no information concerning any such application shall be given without authority of the applicant or owner unless necessary to carry out the provisions of an Act of Congress or in such special circumstances as may be determined by the Director.

"(B) The Director shall establish procedures to expedite the publication of patent applications for which a determination of patentability has been made by the Director.

"(C) The Director shall prescribe regulations establishing procedures for the application for and determination of patent term adjustment under this subsection and such regulations shall apply to any application for patent term adjustment made by an applicant on an application filed in a foreign country.

"(b) Exception.—(A) The Director shall not publish the redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(B) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(C) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(D) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(2) Exception.—(A) The Director shall not publish the redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(B) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(C) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

"(D) The Director shall publish a redacted copy of an application in which the applicant or owner requests that the invention disclosed in the application be regarded as abandoned, unless it is determined by the Director that the redacted copy should not be published.

SEC. 305. EFFECTIVE DATE.

(a) Time Period.—The amendments made by this section take effect on the date of the enactment of this Act.

(b) Effective Date.—The provisions of this section take effect on the date of the enactment of this Act.
Representatives and the Senate the results of the study conducted under this subsection.

SEC. 403. TIME FOR CLAIMING BENEFIT OF EARLIER FILING DATE.

(a) In a Foreign Country.—Section 119(b) of title 35, United States Code, is amended to read as follows:

“(b)(1) No application for patent shall be entitled to this right of priority unless a claim, identifying the foreign application by specifying its application number, country, and the day, month, and year of its filing, is filed in the Patent and Trademark Office at such time during the pendency of the application as required by the Director.

“(2) The Director may consider the failure of the applicant to file a timely claim for a priority as a waiver of any such claim. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed claim under this section.

“(3) The Director may require a certified copy of the original foreign application, specified in paragraph (1) of this subsection, to be based, a translation if not in the English language, and such other information as the Director considers necessary. Any such certification shall be based on the foreign intellectual property authority in which the foreign application was filed and show the date of the application and of the filing of the specification in that office.

(b) In the United States.—Section 120 of title 35, United States Code, is amended by adding at the end the following new subparagraph:

“(1) in the section caption by inserting “provisional” before “patent” and deleting “provisional.”

SEC. 404. PROVISIONAL RIGHTS.

Section 154 of title 35, United States Code, is amended—

(1) In General.—In addition to other rights provided by this section, a patent shall include the right to obtain a reasonable royalty from any person who, during the period beginning on the date of publication of the application for such patent pursuant to section 122(b), or in the case of an international application filed under the treaty defined in section 351(a) designating the United States under Article 21(2)(a) of such treaty, the date of publication of the application, and ending on the date the patent is issued—

“(A) makes, uses, offers for sale, or sells in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or

“(B) if the invention as claimed in the published patent application is a process, uses, offers for sale, or sells in the United States products or imports into the United States products or portions of products made by that process as claimed in the published patent application; and

“(ii) the right arising under this paragraph is based upon an international application designated by the invention in a patent filed in a language other than English, a translation of the international application into the English language.

“(2) Right based on substantially identical inventions.—The right under paragraph (1) to obtain a reasonable royalty shall not be available under this subsection unless the invention claimed in the United States patent is substantially identical to the invention as claimed in the published patent application.

“(3) Time limitation on obtaining a reasonable royalty.—The right under paragraph (1) to obtain a reasonable royalty shall be available only in an action brought not later than 6 years after the patent is issued. The right under paragraph (1) to obtain a reasonable royalty shall not be affected by the duration of the period described in paragraph (1).

“(4) Requirements for international applications.—

“(A) Effective date.—The right under paragraph (1) to obtain a reasonable royalty based on a patent issued under the treaty of the international application designated by the United States shall commence on the date on which the Patent and Trademark Office receives a copy of the application under the treaty of the international application, or, if the publication under the treaty of the international application is in a language other than English, on the date on which the Patent and Trademark Office receives a translation of the international application in the English language.

“(B) Copies.—The Director may require the applicant to provide a copy of the international application and a translation thereof under paragraph (1).

SEC. 405. PRIOR ART EFFECT OF PUBLISHED APPLICATIONS.

Section 102(e) of title 35, United States Code, is amended to read as follows:

“(e) the invention was described in—

“(1)(A) an application for patent, published before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) of an international application designating the United States shall commence on the date on which the Patent and Trademark Office receives a copy of the publication under the treaty of the international application, or, if the publication under the treaty of the international application is in a language other than English, on the date on which the Patent and Trademark Office receives a translation of the international application into the English language.

“(B) Copies.—The Director may require the applicant to provide a copy of the international application and a translation thereof under paragraph (1).

SEC. 406. COST RECOVERY FOR PUBLICATION.

The Director of the Patent and Trademark Office shall recover the cost of early publication required by the amendment made by section 402 by charging a separate publication fee after notice of allowance is given pursuant to section 151 of title 35, United States Code.

SEC. 407. CONFORMING AMENDMENTS.

The following provisions of title 35, United States Code, are amended:

(1) Section 11 is amended in paragraph 1 of subsection (a) by inserting “and published applications for patents” after “patents”;

(2) Section 13 is amended—

(A) in the section caption by inserting “and applications” after “patents”;

(B) by inserting “and published applications for patents” after “applications”;

(4) The item relating to section 122 in the table of sections for chapter 11 is amended by inserting “‘provisional rights’” after “patent”.

(5) The item relating to section 154 in the table of sections for chapter 14 is amended by inserting “‘provisional rights’” after “patent”.

(6) Section 181 is amended—

(A) in the first undersigned paragraph—

(1) by inserting “by the publication of an application or” after “disclosure”; and

(ii) by inserting “the publication of the application or” after “withhold”;

(B) in the second undersigned paragraph by inserting “by the publication of an application or” after “withhold”; and

(D) in the fourth undersigned paragraph by inserting “the publication of an application or” after “withhold”;

(7) Section 252 is amended in the first undersigned paragraph by inserting “substantially” before “identical” each place it appears.

(8) Section 254 is amended by adding at the end of the second undersigned paragraph the following: “Increased damages under this paragraph shall not be available under this subsection based on the filing of an application or a provisional application that was published under section 122(b), except as provided in sections 102(e) and 154(d).”.

SEC. 408. EFFECTIVE DATE.

This title and the amendments made by this title, shall take effect on the date that is 1 year after the date of the enactment of this Act and shall apply to all applications filed on or after the date that is 1 year after the date of enactment of this Act and to any such application voluntarily published by the applicant under procedures established under this title that is pending on the date that is 1 year after the date of the enactment of this Act. The amendment made by section 404 shall also apply to international applications designating the United States that are filed on or after that date and to any such application that is published under section 404 before the date of the enactment of this Act.

TITLE V—OPTIONAL INTERNATIONAL REEXAMINATION PROCEDURE

SEC. 501. SHORT TITLE.

This title may be cited as the “Optional Inter Partes Reexamination Procedure Act”.

August 3, 1999

CONGRESSIONAL RECORD—HOUSE

19267
CHAPTER 31—OPTIONAL INTER PARTES REEXAMINATION PROCEDURES

§ 311. Request for inter partes reexamination

(a) In General.—Any person at any time may file a request for inter partes reexamination of a patent by the Office of a patent on the basis of any prior art cited under the provisions of section 102.

(b) REQUIREMENTS.—The request shall—

(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and

(2) set forth the pertinency and manner of applying cited prior art to every claim for which a reexamination is requested.

(c) COPY.—Unless the requesting person is the owner of the patent, the Director promptly shall send a copy of the request to the owner of record of the patent.

§ 312. Determination of issue by Director

(a) REEXAMINATION.—Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On the Director’s initiative, and any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications.

(b) RECORD.—A record of the Director’s determination under subsection (a) shall be placed in the official file of the patent, and a copy shall be promptly given or mailed to the owner of record of the patent and to the third-party requester, if any.

(c) FINAL DECISION.—A determination by the Director pursuant to subsection (a) shall be final and nonappealable. Upon a determination that no substantial new question of patentability has been raised, the Director may refuse a portion of the inter partes reexamination fee required under section 311.

§ 313. Inter partes reexamination order by Director

If, in a determination made under section 312(a), the Director finds that a substantial new question of patentability affecting a claim of a patent is raised, the determination shall include an order for inter partes reexamination of the patent for resolution of the question. The order may be accompanied by the initial action of the Patent and Trademark Office on the merits of the inter partes reexamination conducted in accordance with section 314.

§ 314. Conduct of inter partes reexamination proceeding

(a) In General.—Subject to subsection (b), reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 131 through 134, subject to subsection (c).

(b) Final decision.—Once a final decision results in an order under section 313 is issued, the patent owner’s response thereto, if any, shall be filed within 30 days after the date of service of the patent owner’s response.

(c) SPECIAL DISPATCH.—Unless otherwise provided by the Director for good cause, all inter partes reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, shall be conducted with special dispatch within the Office.

§ 315. Appeal

(a) PATENT OWNER.—The patent owner involved in an inter partes reexamination proceeding under this chapter—

(1) may appeal under the provisions of section 314, and may appeal under the provisions of sections 141 through 144, with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent; and

(2) may be a party to any appeal taken by a third-party requester under subsection (b).

(b) THIRD-PARTY REQUESTER.—A third-party requester may—

(1) appeal under the provisions of section 314 with respect to any final decision favorable to the patentability of any original or proposed amended or new claim of the patent; or

(2) be a party to any appeal taken by the patent owner under the provisions of section 134, subject to subsection (c).

(c) Civil Action.—A third-party requester whose request for an inter partes reexamination order under section 313 is denied or is otherwise addressed in accordance with section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester has raised during the inter partes reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester, the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

§ 316. Certificate of patentability, unpatentability, and claim cancellation

(a) IN GENERAL.—In an inter partes reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any proposed amended or new claim determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable and incorporated into a patent following an inter partes reexamination proceeding shall have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation for the same, prior to issuance of a certificate in accordance with the provisions of subsection (a) of this section.

§ 317. Inter partes reexamination prohibited

(a) ORDER FOR REEXAMINATION.—Notwithstanding any provision of this chapter, once an order for inter partes reexamination of a patent has been issued under section 313, neither the patent owner nor the third-party requester, if any, nor its privies or of either, may file a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued and published under section 316, unless authorized by the Director.

(b) FINAL DECISION.—Once a final decision has been entered against a party in a civil action arising in whole or in part under section 313, the party shall be estopped from asserting at a later time, in any civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies is thereafter maintained by the Office, notwithsanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.

§ 318. Stay of litigation

Once an order for inter partes reexamination of a patent has been issued under section 313, the patent owner may obtain a stay of any pending litigation which involves an issue of patentability of the patent which are the subject of the inter partes reexamination order, unless the court...
before which such litigation is pending determined, and they shall not serve the interests of justice."

(b) CONFORMING AMENDMENTS.—The Table of chapters for part III of title 35, United States Code, is amended by striking the item relating to chapter 30 and inserting the following:

"30. Prior Art Citations to Office and Ex Parte Reexamination of Patents

31. Optional Inter Parties Reexamination of Patents

311."

SEC. 503. CONFORMING AMENDMENTS.

(a) PATENT FEES; PATENT SEARCH SYSTEMS.—Section 233 of title 35, United States Code, is amended to read as follows:

"(b) APPEAL TO THE BOARD OF PATENT APPEALS AND INTERFERENCES.—Section 134 of title 35, United States Code, is amended to read as follows:

"(c) APPEAL TO COURT OF APPEALS FOR THE FEDERAL CIRCUIT.—Section 141 of title 35, United States Code, is amended to read as follows:

"(d) PROCEEDINGS ON APPEAL.—Section 143 of title 35, United States Code, is amended by adding the following after the second sentence: "A patent owner in any reexamination proceeding may appeal from the final decision in an appeal to the Board of Patent Appeals and Interferences under section 143 may appeal the decision only to the United States Court of Appeals for the Federal Circuit.

(e) CIVIL ACTION TO OBTAIN PATENT.—Section 145 of title 35, United States Code, is amended in the first sentence by inserting "(a) after 83."

SEC. 506. REPORT TO CONGRESS.

Not later than 5 years after the effective date of this title, the Director of the United States Patent and Trademark Office shall submit to the congressional committees a report evaluating whether the inter partes reexamination proceedings established under the amendments made by this title are equitable for any of the parties involved, so, the report shall contain recommendations for changes to the amendments made by this title to remove such inequity.

SEC. 507. ESTOPPEL EFFECT OF REEXAMINATION

Any party who requests an inter partes reexamination under section 311 of title 35, United States Code, is estopped from challenging a later time, in any civil action any fact determined during the process of such reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the inter partes reexamination decision. If this section is held to be unenforceable, the enforceability of the rest of this Act shall be determined as a result.

SEC. 508. EFFECTIVE DATE

This title and the amendments made by this title shall take effect on the date that is 1 year after the date of the enactment of this Act and shall apply to inter partes reexamination requests filed on or after such date.

TITLE VI—PATENT AND TRADEMARK OFFICE

SEC. 601. SHORT TITLE.

This title may be cited as the "Patent and Trademark Office Efficiency Act".

Subtitle A—United States Patent and Trademark Office

SEC. 611. ESTABLISHMENT OF PATENT AND TRADEMARK OFFICE.

Section 1 of title 35, United States Code, is amended to read as follows:

"(1) Establishment

"(a) ESTABLISHMENT.—The United States Patent and Trademark Office is established as an agency of the United States, within the Department of Commerce. In carrying out its functions, the United States Patent and Trademark Office shall be subject to the policy direction of the Secretary of Commerce—

(1) shall be responsible for the granting and issuing of patents and the registration of trademarks; and

(2) shall be responsible for disseminating to the public information with respect to patents and trademarks;

"(b) SPECIFIC POWERS.—The Office—

(1) shall be responsible for disseminating to the public information with respect to patents and trademarks;

(2) shall be responsible for disseminating to the public information with respect to patents and trademarks;

(3) may acquire, construct, purchase, lease, hold, manage, operate, improve, alter, maintain, use, and dispose of property, or any interest therein, as it considers necessary to carry out its functions;

(4) may make such purchases, contracts for the construction, maintenance, or management and operation of facilities, and contracts for supplies or services, without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 and following), the Public Buildings Act (40 U.S.C. 601 and following), and the Stewart B. McKinney Homelessness Assistance Act (42 U.S.C. 11301 and following); and

(5) may enter into and perform such purchases and contracts for printing services, including the process of composition, platemaking, presswork, silk screen processes, binding, microform, and other products of such processes, as it considers necessary to carry out the functions of the Office, without regard to sections 501 through 517 of title 44, without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 and following), the Public Buildings Act (40 U.S.C. 601 and following), and the Stewart B. McKinney Homelessness Assistance Act (42 U.S.C. 11301 and following); and

(6) may enter into and perform such purchases and contracts for printing services, including the process of composition, platemaking, presswork, silk screen processes, binding, microform, and the products of such processes, without regard to any interest therein, as it considers necessary to carry out its functions;

(7) may acquire, construct, purchase, lease, hold, manage, operate, improve, alter, maintain, use, and dispose of property, or any interest therein, as it considers necessary to carry out its functions;

(8) may acquire, construct, purchase, lease, hold, manage, operate, improve, alter, maintain, use, and dispose of property, or any interest therein, as it considers necessary to carry out its functions.

"(c) R EFERENCE.—For purposes of this title, the United States Patent and Trademark Office shall be referred to as the Office and the 'Patent and Trademark Office.'

SEC. 612. POWERS AND DUTIES

Section 2 of title 35, United States Code, is amended to read as follows:
"(6) may, when the Director determines that it is in the interest of the United States and the agency, instrumentality, patent and trademark office, or international organization concerned, the interests, respectively, or personnel of any State or local government agency or instrumentality or foreign patent and trademark office or international organization to perform functions on its behalf;

"(7) may retain and use all of its revenues and receipts, including revenues from the sale, lease, of any real, personal, or mixed property, or any interest therein, of the Office;

"(8) shall advise the President, through the Secretary of Commerce, on international and certain international intellectual property policy issues;

"(9) shall advise Federal departments and agencies on matters of intellectual property policy in the United States and intellectual property protection in other countries;

"(10) shall provide, guidance, as appropriate, in cooperation with agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection;

"(11) shall conduct studies, prepare, and disseminate in changes of items or services regarding domestic and international intellectual property law and the effectiveness of intellectual property policies and protection domestically and throughout the world;

"(12)(A) shall advise the Secretary of Commerce on programs and studies relating to intellectual property policy that are conducted, or authorized to be conducted, cooperatively with foreign intellectual property offices and international intergovernmental organizations and;

"(B) may conduct programs and studies described in subparagraph (A); and

"(13)(A) in coordination with the Department of State, may conduct programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

"(B) shall be considered, for purposes of such cooperation, to be an international governmental organization for the purposes of section 5 of chapter 51, or 53 of title 5. The Commissioner for Patents, without regard to chapter 33, shall advise the Secretary of Commerce for Intellectual Property and Trademark Office (in this title referred to as the "Director"), who shall be a citizen of the United States and who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be a person who has a professional background and experience in patent or trademark law.

"(2) Duties.—

"(A) IN GENERAL.—The Director shall be responsible for providing policy direction and management supervision for the Office and the issuance and registration of trademarks. The Director shall perform these duties in a fair, impartial, and equitable manner.

"(B) CONSULTING WITH THE PUBLIC ADVISORY COMMITTEES.—The Director shall consult with the Patent Public Advisory Committee established in section 5 on a regular basis on matters relating to the trademark operations of the Office, and shall consult with the respective Public Advisory Committee before submitting budgetary proposals to the Office of Management and Budget or changing or proposing to change patent or trademark users fees or patent or trademark regulations which are subject to the requirement to provide notice and opportunity for public comment pursuant to section 533 of title 5, as the case may be.

"(3)(O) The Director shall, before taking office, take an oath to discharge faithfully the duties of the Office.

"(4) REMOVAL.—The Director may be removed from office by the President. The President shall provide notification of any such removal to both Houses of Congress. (b) OFFICERS AND EMPLOYEES OF THE OFFICE.—

"(1) DEPUTY UNDER SECRETARY AND DEPUTY DIRECTOR.—The Secretary of Commerce, upon nomination by the Director, shall appoint a Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office who shall be vested in the United States Patent and Trademark Office as the Director may determine. The Deputy Director shall be a citizen of the United States who has a professional background and experience in patent or trademark law.

"(2) COMMISSIONERS.—

"(A) APPOINTMENT AND DUTIES.—The Secretary of Commerce for Intellectual Property and Trademark Office may appoint a Commissioner for Patents and a Commissioner for Trademarks, without regard to chapter 33, 31, or 33 of title 5. The Commissioner for Patents shall serve as the chief operating officer for the management and direction of all aspects of the activities of the Office that affect the administration of patent and trademark operations, respectively. The Secretary may reappoint a Commissioner to a term of 5 years as long as the provisions of section 19270 are applicable to the Commissioner.

"(B) SALARY AND PERFORMANCE AGREEMENT.—The Commissioners shall be paid an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service established under section 5302 of title 5, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of title 5. The compensation of the Commissioners shall be considered, for purposes of section 207(c)(2)(A) of title 18, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of title 18. In addition, the Secretary of Commerce, acting through the Director, of the Commissioners’ performance as defined in an annual performance agreement between the Commissioners and the Secretary. The annual performance agreement shall incorporate measurable organizational and individual goals in key operational areas as delineated in an annual performance plan agreed to by the Commissioners and the Secretary. Payment of a bonus under this subparagraph may be made to the Commissioners only to the extent that such payment does not cause the Commissioners’ total aggregate compensation in a calendar year to equal or exceed the amount of the salary of the Vice President under section 194 of title 5.

"(C) REMOVAL.—The Commissioners may be removed from office by the Secretary for misconduct or unsatisfactory performance as described in subparagraph (B), without regard to the provisions of title 5. The Secretary shall provide notification of any such removal to both Houses of Congress.

"(3) OTHER OFFICERS AND EMPLOYEES.—The Director shall—

"(A) appoint such officers, employees (including attorneys), and agents of the Office as the Director considers necessary to carry out the functions of the Office; and

"(B) define the title, authority, and duties of such officers and employees and delegate to them such of the powers vested in the Office as the Director may determine.

"The Office shall not be subject to any administrative or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account in the annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service established under section 5302 of title 5, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of title 5. The compensation of the Commissioners shall be considered, for purposes of section 207(c)(2)(A) of title 18, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of title 18. In addition, the Secretary of Commerce, acting through the Director, of the Commissioners’ performance as defined in an annual performance agreement between the Commissioners and the Secretary. The annual performance agreement shall incorporate measurable organizational and individual goals in key operational areas as delineated in an annual performance plan agreed to by the Commissioners and the Secretary. Payment of a bonus under this subparagraph may be made to the Commissioners only to the extent that such payment does not cause the Commissioners’ total aggregate compensation in a calendar year to equal or exceed the amount of the salary of the Vice President under section 194 of title 5.

"(C) REMOVAL.—The Commissioners may be removed from office by the Secretary for misconduct or unsatisfactory performance as described in subparagraph (B), without regard to the provisions of title 5. The Secretary shall provide notification of any such removal to both Houses of Congress.

"(4) TRAINING OF EXAMINERS.—The Office shall submit to the Congress a proposal to provide an incentive program to retain as examiners and trainee examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent and trademark examining.
subject to the provisions of title 5 relating to Federal employee retirement from such member under section 8333 of title 5.

“(d) Adoption of Existing Labor Agreements.—The Office shall adopt all labor agreements which are in effect, as of the day before the effective date of the Patent and Trademark Office Efficiency Act, with respect to such Office (as then in effect).

“(e) CARETAKER OF PERSONNEL.—

“(1) In general.—On or after the effective date of the Patent and Trademark Office Efficiency Act, all officers and employees of the Patent and Trademark Office on the day before the effective date shall be deemed Officers and employees of the Office, without a break in service.

“(2) Other Personnel.—Any individual who, on the day before the effective date of the Patent and Trademark Office Efficiency Act, is an employee of the Department of Commerce (other than an officer or employee under paragraph (1)) shall be transferred to the Office, as necessary to carry out the purposes of this Act, if—

“(A) such individual serves in a position for which there is a corresponding position in the performance of work reimbursed by the Patent and Trademark Office, as determined by the Secretary of Commerce;

“(B) such individual serves in a position that performed work in support of the Patent and Trademark Office during at least half of the incumbent’s work time, as determined by the Secretary of Commerce; or

“(C) such transfer would be in the interest of the Office, as determined by the Secretary of Commerce in consultation with the Director.

Any transfer under this paragraph shall be effective as of the same effective date as referred to in paragraph (1), and shall be made without a break in service.

“(f) Transition Provisions.—

“(1) Interim Appointment of Director.—On or after the effective date of the Patent and Trademark Office Efficiency Act, the President shall appoint an individual to serve as the Director until the date on which a Director qualifies under subsection (a). The President shall appoint an individual to serve as the Assistant Commissioner for Patents and Trademark Office Efficiency Act, the Trademark Office Efficiency Act, the Office shall adopt all labor agreements which are in effect, as of the day before the effective date of the Patent and Trademark Office Efficiency Act, with respect to the United States Patent and Trademark Office, and with respect to trademarks, in the case of the Trademark Office, in the case of the Patent Public Advisory Committee;

“(2) shall include members who represent small and large entity applicants located in the United States in proportion to the number of applications filed by such applicants, but in no case shall members who represent small entity patent applicants, including small business concerns, independent inventors, and nonprofit organizations, constitute less than 25 percent of the members of the Patent Public Advisory Committee and such members shall include at least 1 independent inventor; and

“(3) shall include individuals with substantial background and achievement in technology, management, labor relations, science, technology, and office automation.

In addition to the voting members, each Advisory Committee shall include a representative of each labor organization recognized by the United States Patent and Trademark Office. Such representatives shall be nonvoting members of each Advisory Committee to which they are appointed.

“(c) Meetings.—Each Advisory Committee shall meet at the call of the chair to consider an agenda set by the Secretary of Commerce.

“(d) Duties.—Each Advisory Committee shall—

“(1) review the policy, goals, performance, budget, and user fees of the United States Patent and Trademark Office with respect to patents, in the case of the Patent Public Advisory Committee, and with respect to trademarks, in the case of the Trademark Public Advisory Committee, and advise the Director on these matters;

“(2) within 60 days after the end of each fiscal year—

“(A) prepare an annual report on the matters referred to in paragraph (1);

“(B) transmit the report to the Secretary of Commerce, the President, and the Committee on the Judiciary of the Senate and the House of Representatives; and

“(C) publish the report in the Official Gazette of the United States Patent and Trademark Office.

“(e) Compensation.—Each member of each Advisory Committee shall be compensated for travel to attend meetings (and the daily equivalent of the annual rate of basic pay in effect for level III of the Executive Schedule under section 5314 of title 5, United States Code), and shall be entitled to be reimbursed for all travel expenses, including per diem in lieu of subsistence, as authorized by section 5702 of title 5.

“(f) Access to Information.—Members of each Advisory Committee shall be provided access to records and information in the possession of the Patent and Trademark Office, except for personnel or other privileged information and information concerning patent applications required to be kept confidential by section 355(a) of title 35, United States Code.

“(g) Applicability of Certain Ethics Laws.—Members of each Advisory Committee shall be subject to the Ethics in Government Act of 1978, as amended.

SEC. 617. TRADEMARK TRIAL AND APPEAL BOARD.

Section 42(c) of title 35, United States Code, is amended by striking “‘31’” and inserting “‘31’” and “‘32’”.

SEC. 618. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by redesignating section 13 as section 13a and inserting “a” after each “section”.

SEC. 619. PATENT AND TRADEMARK OFFICE FUNDING.

SEC. 620. CONFORMING AMENDMENTS.

Section 31 of title 35, United States Code, and the item relating to such section in the table of sections for chapter 3 of title 35, United States Code, are repealed.

Section 42(c) of title 35, United States Code, is amended by striking one semi-colon and inserting “a” after each “section”.

SEC. 621. TRADEMARK TRIAL AND APPEAL BOARD.

Section 355 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 622. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 623. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 624. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 625. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 626. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 627. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 628. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 629. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 630. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.

SEC. 631. BOARD OF PATENT APPEALS AND INTERFERENCES.

Chapter 13 of title 35, United States Code, is amended by inserting “a” after each “section”.
SEC. 622. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE 35.—

(1) The item relating to part I in the table of parts for chapter 35, United States Code, is amended to read as follows:


(2) The heading for part I of title 35, United States Code, is amended to read as follows:

"PART I—UNITED STATES PATENT AND TRADEMARK OFFICE."

(3) The table of chapters for part I of title 35, United States Code, is amended by inserting the item relating to chapter 1 to read as follows:

"1. Establishment, Officers and Employees, Functions ................................ 1st.

(4) The table of sections for chapter 1 of title 35, United States Code, is amended to read as follows:

"CHAPTER 1—ESTABLISHMENT, OFFICERS AND EMPLOYEES, FUNCTIONS

Sec.

1. Establishment.

2. Powers and Duties.

3. Officers and employees.

4. Restrictions on officers and employees as to interest in patents.


7. Library.

8. Classification of patents.

9. Certified copies of records.


11. Exchange of copies of patents and applications with foreign countries.


13. Annual report to Congress."

(b) Other provisions of law.—

(1) Except as provided in subparagraph (B), title 35, United States Code, is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director".

(2) Section 155 of title 35, United States Code, is amended by striking "Director of the United States Patent and Trademark Office".

(3) Section 5102(c)(23) of title 5, United States Code, is amended to read as follows:

"(23) administrative patent judges and designated administrative patent judges in the United States Patent and Trademark Office;"

(4) Section 5316 of title 5, United States Code (5 U.S.C. 5316) is amended by striking "Commissioner of Patents, Department of Commerce."; "Deputy Commissioner of Patents and Trademarks."; "Assistant Commissioner for Patents."; and "Assistant Commissioner for Trademarks.".

(5) Section 9(b)(1)(B) of the Small Business Act (15 U.S.C. 638(p)(1)(B)) is amended to read as follows:

"(B) the Director of the United States Patent and Trademark Office; and"

(6) Section 12 of the Act of February 14, 1915 (19 U.S.C. 3511) is amended by striking:

(A) by striking "(d) Patent and Trademark Office;" and inserting "(4) United States Patent and Trademark Office; and"

(B) by redesigning subsections (a), (b), (c), (e), (f), and (g) as paragraphs (1), (2), (3), (5), (6), and (7), respectively and indenting the paragraphs as so redesignated 2 ems to the right.

(7) Section 19 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831r) is amended—

(A) by striking "Patent Office of the United States" and inserting "United States Patent and Trademark Office"; and

(B) by striking "Commissioner of Patents" and Trademarks" and inserting "Director of the United States Patent and Trademark Office".


(11) Sections 356(m) and 512(o) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 356(m) and 360(o)) are each amended by striking "Patent Office and Trademark Office of the Department of Commerce" and inserting "United States Patent and Trademark Office;"

(12) Section 702(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372(d)) is amended by striking "Commissioner of Patents" and inserting "Director of the United States Patent and Trademark Office;"

(13) Section 105(e) of the Federal Alcohol Administration Act (27 U.S.C. 205(e) is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director of the United States Patent and Trademark Office;".


SEC. 623. STUDY ON ALTERNATIVE FEE STRUCTURES.

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office shall conduct a study of alternative fee structures that could be adopted by the United States Patent and Trademark Office to encourage maximum participation by the inventor community in the United States. The Director shall submit to the Committees on the Judiciary of the House of Representa- tives and the Senate a report on the results of the study not later than 1 year after the date of the enactment of this Act.

Title II—Effective Date; Technical Amendments

SEC. 631. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 4 months after the date of the enactment of this Act.

(a) In General.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a department or office to which a function is transferred by this title:

(1) to the head of such department or office is deemed to refer to the head of the department or office to which such function is transferred;

(2) to such department or office is deemed to refer to the department or office to which such function is transferred by this title, and to the Commissioner of Patents and Trademark Office; or

(b) Specific References.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to the Patent and Trademark Office—

(1) to the Commissioner of Patents and Trademarks is deemed to refer to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office;

(2) to the Assistant Commissioner for Patents is deemed to refer to the Commissioner for Trademarks; or

(3) to the Assistant Commissioner for Trademarks is deemed to refer to the Commissioner for Trademarks.

SEC. 642. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal officer to whom a function is transferred by this title may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function.

SEC. 643. SAVINGS PROVISIONS.

(a) Legal Documents.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Commerce, any officer or employee of any office transferred by this title, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transfereed by this title, and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date), shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) Proceedings.—This title shall not affect any proceeding, or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the effective date of this title before an office transferred by this title, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payment shall continue to be made to such Federal official as the official or office from which a function is transferred by this title shall so desire. Nothing in this subsection shall be construed to prohibit the Secretary of Commerce, or any other authorized official, from making any such orders under this title, but such orders shall be made in connection with a function transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(c) Suits.—This title shall not affect suits commenced before the effective date of this title, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) Nonabatement of Actions.—No suit, action, or other proceeding commenced by or against the Department of Commerce or the Secretary of Commerce, or by or against any individual in the official capacity of such individual in an officer or office transferred by this title, shall abate by reason of the enactment of this title.

(e) Continuance of Suits.—If any Government official in the official capacity of such official is party to a suit with respect to a function of the officer, and under this title such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) Administrative Procedure and Judicial Review.—Except as otherwise provided by law, any statute or rule relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred by this title shall apply to such function by the head of the Federal agency, and other officers of the agency, to which such function is transferred by this title.

SEC. 644. TRANSFER OF OFFICE.

Except as otherwise provided in this title, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to an official or agency by this title shall be available to the official or the head of that agency, respectively, at such time or times as the Director of the Office of Management and Budget directs for use in connection with the functions transferred.

SEC. 645. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this title, an official or agency to whom a function is transferred under this title (including the head of any office to which functions are transferred under this title) may delegate any of the functions so transferred to such officer or employees of the office of the official or agency by this title shall be available to the official or the head of that agency, respectively, at such time or times as the Director of the Office of Management and Budget directs for use in connection with the functions transferred.

(a) Determinations.—If necessary, the Director of the Office of Management and Budget shall make any determinations of the functions that are transferred under this title.

(b) Incidental Transfers.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with respect to functions transferred by this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising

CONGRESSIONAL RECORD—HOUSE
of pendency of the provisional application.

on a Saturday, Sunday, or Federal holiday

shall not be subject to revival thereafter.''.

shall be regarded as abandoned 12 months

quest is made, the provisional application

provisional application may be treated as an ap-

as prescribed by the Commissioner, a provi-

SEC. 701. PROVISIONAL APPLICATIONS.

assignment, agency, bureau, institute, coun-

administration, agency, bureau, institute, com-

TITLE VII—MISCELLANEOUS PATENT

PROVISIONS

SEC. 701. PROVISIONAL APPLICATIONS.

(a) ABANDONMENT.—Section 111(b)(5)

of title 35, United States Code, is amended to

read as follows:

‘‘(5) ABANDONMENT.—Notwithstanding the

absence of a claim, upon timely request and

as prescribed by the Commissioner, a provi-

sional application may be treated as an ap-

lication filed under subsection (a). Subject to

section 119(e)(3) of this title, if no such re-

quest is made, the provisional application shall

be abandoned 12 months after the filing date of

such application and shall not be subject to revival thereafter.’’.

(b) TECHNICAL AMENDMENT RELATING TO

WEEKENDS.—Section 119(e)(3) of title 35, United States

code, is amended by adding at the end the following:

‘‘(3) If the day that is 12 months after

the filing date of a provisional application falls on a Saturday, Sunday, or Federal holiday within the District of Columbia, the period of pendency of the provisional application shall be extended to the next succeeding sec-

ular or business day.’’.

(c) ELIMINATION OF COPENDENCY REQUIRE-

MENT.—Section 119(e)(2) of title 35, United States

code, is amended by striking ‘‘and the

provisional application was pending on the filing

date of the application for patent under section

111(a) or section 363 of this title’’;

(d) EFFECTIVE DATE.—The amendments

made by this section shall take effect on the
date of the enactment of this Act and shall apply to any provisional application filed on or after June 8, 1995, except that the amend-
ments made by subsections (b) and (c) shall not
have any effect with respect to any patent which is the subject of litigation in an action
commenced before such date of enactment.

SEC. 702. APPLICATIONS.

Section 119 of title 35, United States Code,
is amended—

(1) in subsection (a)—

(A) by inserting ‘‘in a WTO member coun-

try or’’ after ‘‘patent for the same inven-

tion’’; and

(B) by inserting ‘‘such WTO member coun-

try or’’ after ‘‘application in the same’’;

(2) in subsection (c), by inserting ‘‘WTO

member country or’’ after ‘‘application in

the same’’; and

(3) by adding at the end the following:

‘‘(f) Applications for plant breeder’s rights

filed in a WTO member country (or in a for-

eign UPOV Contracting Party) shall have the

effect of closing the right of priority under subsections (a) through (c) of this section as applications for patent, subject to the same conditions and require-

ments of this section as apply to applica-

tions for patents.

’’(g) As used in this section—

‘‘(1) the term ‘WTO member country’ has

the meaning given that term in section 135 or

section 291, as amended by the Uruguay Round Agreements Act; and

‘‘(2) the term ‘UPOV Contracting Party’

means a member of the International Con-

vention for the Protection of New Varieties of Plants.’’.

SEC. 703. CERTAIN LIMITATIONS ON DAMAGES

FOR PATENT INFRINGEMENT NOT APPLICABLE.

Section 282(c)(4) of title 35, United States Code, is amended by striking ‘‘before the
date of enactment of this subsection’’ and in-
serting ‘‘based on an application the earliest
effective filing date of which is prior to Sep-

tember 30, 1996’’.

SEC. 704. ELECTRONIC FILING AND PUBLICATIONS.

(a) PRINTING OF PAPERS FILED.—Section 22

of the Act is amended—

(1) in subsection (a)—

(A) by striking the words ‘‘The Director

may supply copies of the specifications and draw-

ings of patents in paper or microform’’ and inserting

‘‘The Director may supply copies of the

specifications and drawings of patents in

electronic medium’’; and

(B) in subsection (b), by inserting ‘‘or elec-

tronic medium’’;

(b) PUBLICATIONS.—Section 11(a) of title 35,

United States Code, is amended by striking ‘‘WTO

country or’’ after ‘‘patent for the same inven-

tion’’; and

(c) DRAFTING.—Section 111(a) of title 35, United States

code, is amended by striking ‘‘before the

effect of the International Convention for the

Protection of New Varieties of Plants’’.

SEC. 705. STUDY AND REPORT ON BIOLOGICAL

DEPOSITS IN SUPPORT OF BIOTECHNOLOGY PATENTS.

(a) IN GENERAL.—No later than 6 months

after the date of enactment of this Act, the

Comptroller General of the United States, in consultation with the Director of

the United States Patent and Trademark Of-

fice, shall conduct a study and submit a re-

port to the Congress on the potential risks to

the United States biotechnology industry re-

lating to biological deposits in support of

biotechnology patents.

(b) CONTENTS.—The study conducted under this

section shall include—

(1) an examination of the risk of export

and the risk of transfers to third parties of

biotechnology patents.

(2) an analysis of comparative legal and

regulatory regimes.

(3) any related recommendations.

(c) CONSIDERATION OF REPORT.—In drafting

regulations affecting biological deposits (in-

ccluding any modification of title 37, Code of

Federal Regulations, section 1.801 et seq.), the Patent and Trademark Office shall con-

sider the recommendations of the study con-

ducted under this section.

SEC. 706. PRIOR INVENTION.

Section 102(g) of title 35, United States Code, is amended to read as follows:

‘‘(g) Where during the course of an interference or patent infringement action under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person’s invention thereof the invention was made by such other inven-

tor and not abandoned, suppressed, or con-

cealed, or (b) before such person’s invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to prac-

tice from a time prior to conception by the other.’’.

SEC. 707. PRIOR ART EXCLUSION FOR CERTAIN

COMMONLY ASSIGNED PATENTS.

(a) PRIOR ART EXCLUSION.—Section 122(c) of title 35, United States Code, is amended by striking subsection (f) and inserting ‘‘one or more of subsections (e), (f), and (g)’’.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any applica-
tion for patent filed on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant
to the rule, the gentleman from North Carolina (Mr. COLE) and the
gentlewoman from California (Ms. LOFGREN) each will control 20 minutes.

Ms. KAPTUR. Mr. Speaker, I would like to ask if the gentleman from Ohio is opposed to the extension of this Act.

The SPEAKER pro tempore. Pursuant
to the rule, the gentleman from Ohio (Mr. GOBEL) is opposed.

Mr. Speaker, I would like to ask if the gentleman from Ohio is opposed to the extension of this Act.

The SPEAKER pro tempore. Is the
gentleman from Ohio opposed to the extension of this Act?

Ms. LOFGREN. Mr. Speaker, if neces-
sary to claim the time representing the Democratic part of the aisle, but I think, pursuant to the rule, I have been designated as the member of the minor-
ity on the committee to represent our side. But I will certainly yield time to the gentleman from Ohio to ex-

press her opinion.

The SPEAKER pro tempore. Is the
gentlewoman from Ohio challenging the
gentleman from California for the right to control the time?

Ms. KAPTUR. I would like to claim time in opposition, and I would like to know if the gentleman is opposed to the measure before us.

The SPEAKER pro tempore. Is the
gentlewoman from Ohio opposed to the bill?

Ms. KAPTUR. The gentleman from Ohio is opposed.

The SPEAKER pro tempore. Is the
gentlewoman from California opposed to the bill?
Ms. LOFGREN. Mr. Speaker, the gentlewoman from Ohio is not a member of the committee of jurisdiction and is not, therefore, eligible to manage our time. I would ask for a ruling.

The SPEAKER pro tempore. The gentlewoman from Ohio is eligible if the gentlewoman from California is not opposed.

Ms. LOFGREN. Then I will claim opposition.

The SPEAKER pro tempore. The gentlewoman from California is opposed?

Ms. LOFGREN. I will claim opposition and the time.

The SPEAKER pro tempore. Then the gentlewoman from California qualifies since the gentlewoman is opposed to the bill.

The gentlewoman from California will then be recognized for 20 minutes. POINT OF ORDER

Mr. ROHRABACHER. Point of order, Mr. Speaker. With all fairness here, claiming opposition is not what the question is. If the gentlewoman from Ohio is indeed opposed to the bill, she deserves her time as compared to someone who is unwilling to say that they are opposed to the bill.

Ms. LOFGREN. Mr. Speaker, if I may, I have reservations about the changes made today. I hope that I can be convinced that they are adequately made by the time the debate is over.

The SPEAKER pro tempore. At this point, the Chair does not question the motives of the Member. The Member has stated she is in opposition to the bill.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

Mr. ROHRABACHER. Continuing my point of order, Mr. Speaker, does the Member not just claiming opposition, does she oppose the bill?

Ms. LOFGREN. I believe the Chair has ruled.

Mr. ROHRABACHER. If not, if she cannot state this, I would state as a point of order, the gentlewoman from Ohio (Ms. KAPTUR), who does say she is opposed to the bill, this is not in my interest to do this, this is in the interest of fairness, we should make sure the time is allotted to someone who opposes the bill.

The SPEAKER pro tempore. The gentlewoman from California has stated that she is in opposition to the bill; is that correct?

Is the gentlewoman from California in opposition to the bill?

Ms. LOFGREN. Until convinced about the changes made, yes.

The SPEAKER pro tempore. At this point the gentlewoman from California is in opposition to the bill. The gentlewoman qualifies.

POINT OF ORDER

Ms. KAPTUR. Point of order, Mr. Speaker.

Mr. Speaker, do I take it, then, that under your ruling, I, as someone who is opposed to this measure, will not be allowed my own time during debate this evening?

The SPEAKER pro tempore. Under a motion to suspend the rules, only two Members may control the time. The gentlewoman from California has qualified to claim the time in opposition. She will, of course, be able to yield time if she so inclined.

Ms. KAPTUR. Mr. Chairman, if I may, I plan to expansively yield time to the gentlewoman from Ohio.

Ms. KAPTUR. I wanted to ask, Mr. Speaker, how much time would be of the total time allotted, then?

The SPEAKER pro tempore. Each side has 20 minutes. The gentlewoman from California will control 20 minutes.

PARLIAMENTARY INQUIRY

Mr. HOYER. Mr. Speaker, I have a parliamentary inquiry. The SPEAKER pro tempore. The gentlewoman will state it.

Mr. HOYER. Am I correct that under the rules as they now exist, that if in fact the gentlewoman from Ohio (Ms. KAPTUR) were recognized in opposition, she would receive half of the time allotted to the minority side of 20 minutes? Is that correct?

The SPEAKER pro tempore. Only one Member may control time in opposition. The gentlewoman from California, a member of the committee, controls the time because she is opposed.

Mr. HOYER. So if she were in opposition, she would receive the entire 20 minutes?

The SPEAKER pro tempore. If the gentlewoman from California were not in opposition, someone else could seek that time.

Mr. HOYER. Further parliamentary inquiry. If that in fact occurred, could the gentlewoman from Ohio (Ms. KAPTUR) yield to the gentlewoman from California (Ms. LOFGREN) 10 minutes?

The SPEAKER pro tempore. Any Member in control of time can yield time to anyone else. Mr. HOYER. In other words, there would be nothing to preclude her from doing so?

The SPEAKER pro tempore. Repeat your question, please.

Mr. HOYER. The Speaker’s response was, as I take it, if the gentlewoman from Ohio (Ms. KAPTUR) were recognized as an opponent to the legislation, she could yield such time as she desired to the gentlewoman from California (Ms. LOFGREN) who obviously has been asked by the committee to represent the minority side of the committee in this action.

The SPEAKER pro tempore. That would be possible. But the gentlewoman from California, a member of the committee, has claimed the time because in opposition and will have the 20 minutes and will be able to yield that time as she so desires.

Mr. HOYER. I understand.

Ms. KAPTUR. Mr. Speaker, could I ask unanimous consent to control my own time during debate this evening?

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

Ms. LOFGREN. Mr. Speaker, I object. The SPEAKER pro tempore. Objection is heard.

The gentlewoman from California (Ms. LOFGREN) controls the time.

POINT OF ORDER

Mr. ROHRABACHER. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentlewoman will state her point of order.

Mr. ROHRABACHER. Mr. Speaker, the point of order is such that it seems to me that by being a little heavy-handed here, we are undermining this process.

Ms. LOFGREN. Will the gentleman yield?

The CHAIRMAN. The gentlewoman will state his point of order first.

Mr. ROHRABACHER. I withdraw my point of order.

Ms. LOFGREN. Mr. Speaker, I ask unanimous consent to make a 10-second statement that will save us all a lot of time.

After I make my opening statement, it is my intention to yield 10 minutes to the gentlewoman from Ohio.

The SPEAKER pro tempore. The gentlewoman may take 10 seconds of her time and solve the problem.

Ms. LOFGREN. I think we just solved it, Mr. Speaker.

The SPEAKER pro tempore. Very well.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to say to my friend from California and to my friend from Ohio, the gentlewoman from California’s comments, I think, make it clear that no one is trying to roll anyone. I think that has been made clear by the gentlewoman from California’s comment subsequent to the beginning of the debate.

I rise tonight, Mr. Speaker, in support of H.R. 1907, the American Inventors Protection Act, and urge the House to adopt the measure.

Mr. Speaker, a coalition of Members, staff, administration officials, and other contributors have negotiated in good faith into the early evening to clarify what few outstanding issues remain in this 100-plus-page bill. I now...
anticipate overwhelming support for this complex, important and often mis-understood measure, which will bring our patent and trademark system into the 21st century to the benefit of American inventors and American consumers.

Mr. Speaker, H.R. 1907 is a product of compromise and negotiation. It is comprised of several provisions that have been suggested by the gentleman from California (Mr. ROHRABACHER), the gentleman from California (Mr. CAMPBELL), each of whom opposed this the last session, the gentleman from Illinois (Mr. MANZULLO) and the gentleman from Indiana (Mr. BURTON), in addition to other administration and industry officials.

The gentlewoman from California (Ms. LOFGREN), the gentleman from California (Mr. BEHMAN), the ranking member of the subcommittee, among others, have been very helpful in this process. I want to thank all the participants and others too numerous to name for their patience and insight as we have worked to bring this bill finally to the floor.

Mr. Speaker, with a bill this complex and lengthy, no one who participates in its construction can get everything he or she wants. I think we have all done a good job, however, of addressing those legitimate concerns registered by independent inventors while retaining the core protections of the legislation. There is no doubt in my mind that H.R. 1907 will make our patent and trademark system, already the world’s best, even better in the new millennium.

Mr. Speaker, I place an exchange of letters in the RECORD concerning committee jurisdiction on the bill H.R. 1907 between Chairman BURTON and Chairman HYDE.

As you know, under House Rule X of the Committee on Government Reform and Oversight has jurisdiction over the federal civil service and the overall economy, efficiency, and management of government operations and activities. Sections 612, 613, 614, and 621 of the amended bill address matters that are within the jurisdiction of this Committee.

In the interest of expediting floor consideration for this measure, the Committee on Government Reform will agree not to exercise its jurisdiction over those sections on the understanding that you have agreed to amend the bill as follows:

1. Section 612 will be revised to provide that the total compensation of the Commissioner for Patents and Trademarks may not exceed the salary of the Vice President. (It is our understanding that you have agreed to amend the bill to provide that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office will not be eligible for bonuses under any future consideration of related matters.

Sincerely,

DAN BURTON, Chairman.

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENT REFORM

Hon. Henry J. Hyde,
Chairman, Committee on the Judiciary,
Washington, DC.

Dear Mr. Chairman: I am writing with regard to H.R. 1907, the American Inventors Protection Act of 1999.

As you know, under House Rule X of the Committee on Government Reform and Oversight has jurisdiction over the federal civil service and the overall economy, efficiency, and management of government operations and activities. Sections 612, 613, 614, and 621 of the amended bill address matters that are within the jurisdiction of this Committee.

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Sincerely,

HENRY HYDE, Chairman.

Mr. Speaker, I reserve the balance of my time.

Ms. LOFGREN. Mr. Speaker, I yield myself such time as I may consume.

I would like to inquire of the chairman on the coming in opposition to the bill, I need to explore the changes that have been made to this bill understand why it is worthy of my support.

Mr. COBLE, Mr. Speaker, will the gentlewoman yield?

In title II there is a first inventor defense that is limited to methods of doing or conducting business, and I need to understand why, what the impact of that would be and why it merits our support.

Mr. COBLE, Mr. Speaker, will the gentlewoman yield?
provide a quarter of the representation to independents, so-called independent inventors. There is concern that institutional investors, those胳膊, might be disadvantaged by this change. Can the gentleman advise us as to the wisdom of this proposal?

Mr. COBLE. If the gentleman would yield?

Ms. LOFGREN. I yield to the gentleman from North Carolina.

Mr. COBLE. This title VI, as the gentleman knows, came in for much discussion. It was part of the cause for the delay. The distinguished gentleman from Indiana (Mr. BURTON) chairs a committee that has jurisdiction over this title. He asserted that jurisdiction, and we were in exchange with him since May, to be specific, for the desired language that he preferred; and we finally had a title that was guaged handed to us late today, and the purpose for his insisting upon that, and probably a good idea, was to ensure that independent inventors are not without a voice in the oversight of the operation of the PTO as far as sitting on one of the boards is concerned.

Ms. LOFGREN. Finally at this point, Mr. Speaker, I note that one change that I think I support but I have some concerns about is that the Patent and Trademark Office would be authorized to publish documents electronically. That makes sense, but because of the lack of vigorous encryption involved in the world and in government offices, I do have concerns as to the security of such publication. I do not know whether that can be addressed in the bill, but if I do want to raise the issue, and my 5 minutes is expired. I want to reserve the time for the gentlewoman from Ohio (Ms. KAPTUR), so I will leave that out for a later answer.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H.R. 1907, as amended. This bill is the culmination of a long process of negotiations that followed floor battles in the last Congress between the leadership of the Committee on the Judiciary and a group of Members led by myself. It was a day I had hoped would come. I have fought long and hard to protect the products of our nation’s traditional guarantee of a 17-year patent term. The battles we had ultimately resulted in a standoff in the Senate in which no patent legislation was adopted, and I am pleased to note that the negotiations I referred to earlier have resulted in a bill that is very much different. The battles I faced that went through the Committee on the Judiciary last year and the fights we have had in the last 4 years.

Instead of making minor, tenuous extensions in the patent term, H.R. 1907 goes most of the way in reversing the 1994 patent term reduction by extending patent term completely to compensate for delays in the processing of the Patent and Trademark Office or any other delay resulting from actions taken by anyone else other than the patent applicant. Instead of publishing all patent applications after 18 months, 1907 publishes only, only the pending applications that have been published abroad, and thus they are already published and already known to the people and only the extent that they are published abroad.

Instead of a prior user defense that applies to all inventions which we just heard a question about a moment ago, H.R. 1907 contains a very limited prior user defense that applies only to those business methods which have only been considered patentable in the last few years, and this, of course, flows from an adverse case before the court that changed patent law.

We want to have our say in what is going on here, and we are correcting it in this legislation; and instead of corporatizing the Patent Office and removing civil service protection from patent examiners, H.R. 1907 leaves the PTO as an agency within the Department of Commerce while including valuable provisions keeping patent revenue within the Patent Office and providing for enhanced training and professional development for patent examiners and retaining their civil service status.

Mr. Speaker, although as in all compromises both sides have to give up something, maybe a little, I would say that my Committee on the Judiciary colleagues will not mind that I am stating for the RECORD that I believe that H.R. 1907 represents a major victory for the independent inventor whose interests I have vigorously defended these past 5 years.

I ask my colleagues to give H.R. 1907 their overwhelming support and to join me in urging the other body to take up this compromise as is and send it to the President for his signature without change.

Mr. Speaker, I have some more detailed comments, and I will be inserting them at this point in the RECORD, but I would not want to let this moment go by without thanking the gentleman from North Carolina (Mr. COBLE) who has, as my colleagues know, stepped forward in a spirit of goodwill and the negotiations we have had have resulted in a superior bill that is going to do great things for America and to keep us technologically ahead.

I also thank the gentleman from Illinois (Mr. MANZULLO). In his late-breaking contributions to this fight he has greatly improved this legislation, and he can be justly proud he has done a good job for America in doing so. Finally, I would like to thank the gentleman from California (Mr. CAMPBELL) and the gentlewoman from Ohio (Ms. KAPTUR), and Ms. KAPTUR has been deeply involved in these negotiations from the beginning.

Ms. KAPTUR has been very deeply involved in this whole fight from the very beginning, and over the last 4 years all of us have been in fact in the last month we have had meetings in her office trying to negotiate these details out. We have been working with her staff, and I do not know, it sounds like we have not satisfied all of her concerns, but she has certainly played an important role in this process, and the gentleman from Ohio (Mr. KUCINICH) and the gentleman from California (Mr. HUNTER).

All of these people played such a significant role along with, of course, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Illinois (Mr. HYDE) in giving us this incredible piece of legislation that I believe is going to do great things for America. Also, my staff members Rick Dykema and Wayne Paugh and other science fellows who worked with me, Paul Crilly, John Morgan, Biff Kramer, Dick Backe and Richard Cowan, for all the hard work they have put in on this piece of legislation.

I ask my colleagues to support it.

Mr. Speaker, for the last several years, this is a day I had hoped would come. I have fought long and hard to protect the products of our nation’s independent inventors. I have
fought diligently to strengthen our patent system and to prevent changes in the name of harmonization. Now, after the continued competition and polarization of the past, this was finally a time for cooperation. Chairman Coble and I have both spent many hours of individual effort pursuing our respective goals for patent reform the past several years, and indeed the time was ripe to work together toward a unified effort. It was time to have an open-ended process in which everyone had an opportunity to come to the table.

With that, I am proud to say that after a long and successful negotiation period with my friend from North Carolina, Chairman Coble and with the invaluable help of my fellow colleague from California, Mr. Campbell and with late-breaking help from my friend from Illinois, Mr. Manzullo, we were finally able to reach an agreement on the issues. As was always the case, the devil has been in the details. Therefore, this is a moment of great responsibility.

In the patented bill that passed the House last year, all patents were subjected to prior user rights. This Congress, we were initially able to limit this title to processes and methods only. More recently, however, we were able to even further limit this section to business methods only. This is an important limitation in scope to take note of because now Title II will not affect the vast majority of independent inventors and small businesses.

A first inventor defense that is strictly limited to business methods will severely reduce its applicability. Furthermore, the defense applies only to business methods that have been reduced to practice one year prior to the effective filing date of the patent in question. Even further, to successfully use this defense a litigant must satisfy a clear and convincing evidentiary standard and risk being subjected to paying reasonable attorney fees to the prevailing party. Bottom line, the best defense to a charge of patent infringement will remain the successful assertion of invalidity, and not a first inventor defense.

As everyone is aware, the current law governing patent term is 20 years from the date of file. Since June 8, 1995, when the 17-years-from-grant was changed, patents have been losing precious time under the current law. Inventors can no longer rely on a guaranteed term of protection. In some cases, several years of effective post-grant protection is lost due to Patent and Trademark Office (PTO) administrative delay. This title represents an opportunity to recapture some of the reliance of pre-GATT standards.

By codifying what constitutes PTO delay, this title can compensate the patent applicant for lost time on a day-for-day basis without time limitation. Furthermore, if the PTO does not issue a patent within 3 years from the date of original file, the patent term will be compensated day-for-day until the patent issues, minus any time the applicant has delayed prosecution by engaging in dilatory behavior.

This approach effectively eliminates the claimed submarine patent dilemma while providing a specific framework from which the Patent and Trademark Office must monitor and compensate the loss of any patent term due to delay for which the applicant has no responsibility.

As I supported last year, this bill includes a provision similar in spirit to the amendment that prevents a third party to submit prior art in the form of a foreign language. Generally, this title will affect large corporate entities more quickly and less expensively than litigation. It merely allows a reexam requestor the option of asking PTO delay in law today, this title creates a new reexamination statute it had an important public purpose in mind: to restore confidence in the validity of patents issued by the PTO.

Specifically, three principal benefits were noted: 1. Resolve patent validity disputes more quickly and at a lower cost, 2. Subject courts to defer issues of patent validity to the expertise of the PTO, and 3. Reinforce investor confidence in the certainty of patents.

Reexamination was enacted as an important step to permitting the PTO to better serve the public interest. As the Supreme Court stated in Graham v. Deere, "it must be remembered that the primary responsibility for sifting out unpatentable material lies in the Patent Office. To await litigation is—for all practical purposes—to debilitate the patent system."

The current statute permits any patent holder or third party to submit prior art in the form of a published patent and printed publications in proportion to the number of patent applications filed each year. Yet, when Congress originally enacted the reexamination statute it had an important public purpose in mind: to restore confidence in the validity of patents issued by the PTO.

Specifically, three principal benefits were noted: 1. Resolve patent validity disputes more quickly and less expensively than litigation; 2. Permit courts to defer issues of patent validity to the expertise of the PTO; and 3. Reinforce investor confidence in the certainty of patents.

This title was an attempt to provide an alternative to existing law and to further encourage potential litigants to use the PTO as a venue to resolve patentability issues without expanding the process into one resembling courtroom proceedings. Fundamentally, in addition to the reexamination statute, this title creates an additional reexamination option that permits a third party requestor to file additional written briefs. The price paid by those who would challenge a patent, however, is that the 3rd party requester is barred from any appeals outside of the PTO and from subsequently litigating the same issues in a district court or making a second reexamination request. This stoppage is the insulation that effectively protects patent holders.

Ultimately, the expanded reexamination option does not subject the patent to any greater challenge in scope than currently exists today. It merely allows a reexamination the option to further explain why a particular patent should not have been granted.
Mr. Speaker, this bill does not create new opportunities to pursue litigation and does not create additional ways to invalidate patents. In fact, the bill seeks to provide even further ways to reduce the incentive for litigation in the courts and to protect against the needless wasting of dollars independent inventors don't have.

CONCLUSION

Certainly, last year's bill was an exercise in harmonization brought about by the interests of large corporations. In contrast, this year's bill, H.R. 1907, is designed to protect the products of our nation's inventors and to help sustain our unprecedented technological leadership. I saw to that through many intense negotiations with my colleagues. Unfortunately, there are still those who cannot recognize victory even when it stares them in the face. I assure you, Mr. Speaker, that if H.R. 1907 was similar to either H.R. 400 or S. 507 last Congress, my views would not have changed this Congress. But that is not the case. H.R. 1907 is a brand new effort reached through an open-ended and fair debate, and it is a bill I am unequivocally supporting today. It is also a bill that I will stand firmly behind as it moves through the Senate.

I know it is up to Congress to carry on the tradition of Thomas Jefferson, Benjamin Franklin, and the will of our Founding Fathers. It was they who provided our newly formed nation with a foundation for freedom and the power to protect the achievements of our inventors.

I have been intimately involved in these issues because I want to ensure that our patent system continues to respect the fundamentals of our Founding Fathers while at the same time enhancing its operability in modern society. We have a chance this Congress to enhance a system that better provides a stronger protection for our nation's inventors. Our patent system always has—and always will—stimulate the creation of jobs, advance our technological leadership, and help sustain our standard of living. It has helped to fortify our economic success, strengthen our national defense, and reinforce our global leadership.

I look forward to passing this bill with the resounding support of my colleagues on the House side and I look forward to the unshakeable support for its text when it is reported in the Senate.

I want to make sure that we will firmly stand behind the text of this bill in the event of contrary action by the Senate. But I am confident that the other noble body of this Congress will accept the House's efforts in patent reform and will move our version of the bill forward without delay.

Mr. Speaker, I applaud my colleagues who have endured a labor-intensive process to reach the final accord we have today. I know it was not an easy thing to do and that it was a long time coming, but it is the American people who will ultimately benefit.

This body can rest assured knowing we faithfully served American technology. Mr. Speaker, there is nothing left to do by way of vigilance and continued involvement, I am pleased looking back and realizing all the good work that has been accomplished so far.
friends from California, some of whom are on the floor tonight, I understand a little bit about industry differences, and I know that there are some industries that will benefit more than others from the publication in foreign locales of some of these patents.

I would say, and I have only marked one paragraph that I will read here, because the public will know nothing of this bill before it is voted on tomorrow, but on page 33 there is this section that is called “United States publications of applications published abroad.” It says, “Subject to paragraph (2), each application for patent except applications for design patents filed under chapter 16 and provisional applications filed under section 111(b) shall be filed in accordance with procedures determined by the Director, promptly upon the expiration of a period of 18 months after the earliest filing date for which a benefit is sought under this title.”

Now, that is an interesting set of words there, but I guess I would want to take sections like that and let the sun shine in, let those back home whose livelihoods and futures, and, frankly, the future of this country depend on, have an opportunity to think and comment before this particular vote.

I agree with the chairman; this is complex, it is very important, and it is often misunderstood. I would have to say as a Member, I take some offense not having the opportunity to review fully, and I have a sense that maybe I am with the 430 people in this House. There perhaps have been four or five who have reviewed this legislation. But I am very concerned that we are not going to vote until tomorrow. I understand that, without having the opportunity to fully review, debate, the provisions of this bill.

The gentleman from California made a very good statement, I thought, going through various provisions in the bill about which we had concerns. I regret I do not have more time to speak.

Mr. Speaker, I regret the gentleman does not have more time as well. I wish to say to the gentleman, thank you very much for being here this evening, and to say thanks to our colleagues who have also labored on this bill.

There is regular order here. We should have regular order, especially on a bill of constitutional magnitude. We all recognize it is.

Let me say of those of us who may question why do we need to change anything about this patent system which protects the seed corn of our country, the lifeblood of our ideas, and our industrial technology. The bill first invention defense allows a company who is using a manufacturing process, if someone patents that process, if someone patents that process after the company has been using it, to continue to use it. This is in the best interests of competitive growth and our industrial technology. The bill also makes the Patent and Trademark Office better equipped to deal with the flood of patent applications that come in every day.

Clearly this is a bill that is good for American business, and it will also be good for the American consumer. I urge my colleagues to vote for H.R. 2654.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio said she was offended. Well, I am becoming offended too, when I think of all the time that we have put in listening to every person who wanted to be heard. The gentleman from Ohio (Ms. KAPTUR) submitted a PTO fees for study for small businesses. It is in the bill. Her own study is in the bill, section 622.

The Alliance for American Innovation, a group known to the gentleman from Ohio (Ms. KAPTUR) and adamantly opposed to our bill, I invited them not once, but twice to send a witness to a public hearing. On each occasion, Mr. Speaker, my invitation was declined. So, yes, I am becoming a little bit impatient as well, because I think we have indeed turned the other cheek, and I am proud of it.

Mr. ROHRABACHER. Mr. Speaker, I rise today in support of H.R. 2654. The Alliance for American Innovation, a group known to the gentleman from California (Ms. SANCHEZ), when she was reading earlier the provision that she read, of paragraph 2, exceptions for independent inventors who file only in the United States. That is covered.

I apologize, Mr. Speaker, if I am becoming a little wrougt, but I am a little bit light, and I am not used to being tempted by easy dog with which to hunt. But when I think about all we have done, and then I see the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Ms. LOFGREN. Mr. Speaker, I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, let me just note that the section of
bill that the gentlewoman from Ohio (Ms. KAPTUR) read and said, my gosh, we need to look at this more, and why just police on us, the gentlewoman from Ohio (Ms. KAPTUR), that portion of the bill has not been changed and has been available for 3 or 4 months now.

This is not something that somebody is moving through, trying to slide through the system. The gentlewoman is complaining about the section of the bill dealing with the 18-month publication. That has not changed. The gentlewoman has had that in her possession ever since it went through committee a couple months ago.

Let me make one or two more points. We have in the last few days, most of what has been talked about, the gentlewoman did not get this 100-something page bill, this bill had a chance to read it. Most of that bill is exactly the same, and the changes that have taken place are small changes that were done in order, as the gentleman from North Carolina (Chairman COBLE) said, to accommodate the very people that we have been trying to protect. These changes are not so dramatic that it takes very long to digest them. It is not a 118 page bill that is shoved in your lap that is totally new. Almost all of that has been in your possession all of this time.

Mr. COBLE. Mr. Speaker, reclaiming my time, I want to address a question to the gentlewoman from California (Ms. LOFGREN) asked earlier, and I want to do it before I forget it. When the gentlewoman talked about the PTO authorizing the publishing of documents electronically, it was done to ensure that the users of the Patent and Trademark Office may have a more expedient and thorough access to patent-related information. I think I know from where the gentlewoman from California (Ms. LOFGREN) is coming from, and I will be happy to discuss the security aspect with her at a subsequent time.

Ms. LOFGREN. Mr. Speaker, will the gentlewoman yield?

Mr. COBLE. I yield to the gentlewoman from California.

Ms. LOFGREN. Mr. Speaker, I do not believe we need to specify the security issues with the PTO. I believe it is within the chairmanship’s commitment to work with me, and I am sure with the gentleman from Virginia (Mr. GOODLATTE), to ensure the encrypted security of these documents. The third party requestor would not have the opportunity to work with my good friends and colleagues, Congressmen HENRY HYDE, chairman of the Judiciary Committee, HOWARD COBLE, chairman of the Judiciary Subcommittee on Intellectual Property, and DANA ROHRABACHER. We have labored endlessly these past 2 days to come up with a bill that protects the integrity of the patent system in the country, while giving fair and open access to it by large corporations and individual inventors.

The bill is not a compromise in that parties give up or gain any rights. Rather, it is a coming together of all interests in forging a bill that represents openly and fairly the interests of everybody, especially and including the American people.

I worked in two areas of the bill, first with regard to title II of the first inventor defense. Before the State Street Bank and Trust case as to which in 1998 the U.S. Supreme Court upheld the Court of Appeals for the Federal court, it was universally thought that methods of doing or conducting business were not patentable items.

Before that case, everybody would keep that secret and never tried to patent it. In recognition of this pioneer clarification in the law by that case, we felt that those who kept their business practices secret had an equitable cause not to be stopped by someone who subsequently reinvented the method of doing or conducting the business or obtaining a patent. We, therefore, limited the first inventor defense solely to that class of rights dealing with methods of doing or conducting business.

It is succinctly to be understood that we do not intend to create by legislative fiat the first inventor defense or any prior user rights for any other process, method, or product or other statutorily recognized class of patentable rights.

Second, with regard to title V, Optional Inter Partes Reexamination Procedure, what we did in that was, in addition to keeping the present law of ex parte reexamination, which gave certain rights to the inventor and to the challenger, we came up with an additional section, the inter partes reexamination which, if selected by the third party requester, would entitle that person to participate further by filing written documents within the Patent Office. Sure, we have had a lot of people help us on this in addition to the Members and Bob Rines who founded the Franklin Pierce Law Center at MIT, founder of the Academy of Applied Science, an inductee of the Inventors’ Hall of Fame, an inductee of the Army Signal Corps Wall of Fame, a Lecturer at the MIT since 1933, a former lecturer of patent law at Harvard, the inventor of the sonogram, a person who has practiced patent law for 55 years and has no interest other than to maintain the rule of law and the integrity of the patent system. He came and helped everybody out.

But, Mr. Speaker, this bill is a good bill because it protects everybody. But most of all, it protects the integrity of the patent system. I would ask that when the Senate takes it up that the bill would be unchanged in its present form.

Mr. Speaker, these past two days have been two of the most challenging I have had as a Member of Congress. I have had the opportunity to work with my good friends and colleagues, Congressmen HENRY HYDE, chairman of the Judiciary Committee, HOWARD COBLE, chairman of the Judiciary Subcommittee on Intellectual Property, and DANA ROHRABACHER. We have labored endlessly these past 2 days to come up with a bill that protects the integrity of the patent system in the country, while giving fair and open access to it by large corporations and individual inventors.

The bill is not a compromise in that parties “give up” or “gain” any rights; rather, it is a coming together of all interests in forging a bill that represents openly and fairly the interests of everybody—including and especially the American people.

I have had a hand in working in the following areas of the bills.

First, with regard to title II—First Inventor Defense: Before the State Street Bank and Trust case, as to which in 1998 the U.S. Supreme Court denied certiorari and thereby

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Ms. LOFGREN. Mr. Speaker, I do not believe we need to specify the security issues with the PTO. I believe it is within the chairmanship’s commitment to work with me, and I am sure with the gentleman from Virginia (Mr. GOODLATTE), to ensure the encrypted security of these documents. The third party requestor would not have the opportunity to work with my good friends and colleagues, Congressmen HENRY HYDE, chairman of the Judiciary Committee, HOWARD COBLE, chairman of the Judiciary Subcommittee on Intellectual Property, and DANA ROHRABACHER. We have labored endlessly these past 2 days to come up with a bill that protects the integrity of the patent system in the country, while giving fair and open access to it by large corporations and individual inventors.

The bill is not a compromise in that parties “give up” or “gain” any rights; rather, it is a coming together of all interests in forging a bill that represents openly and fairly the interests of everybody—including and especially the American people.
upheld the Court of Appeals for the Federal Circuit, it was universally thought that methods of doing or conducting business were not among the statutory items that could be patented. Before that case, everybody would keep their methods of doing or conducting business as secret as they could and never tried to patent them. In recognition of this pioneer clarification in the law, we felt that those who kept their business secrets secret had an equitable cause not to be stopped by someone who subsequently reinvented the method of doing or conducting business and obtained a patent. We, therefore, limited the first inventor defense solely to that class of rights dealing with “methods of doing or conducting business.” It is distinctly to be understood that we do not intend to create first inventor defense or prior user rights for any other process, method, or product, or other statute or other historically recognized class of patentable rights, which in fact had been included in the original legislation, but which was stricken upon agreement of all the parties on this legislation.

Second, with regard to title V—Optional Inter Partes Reexamination Procedure: We clearly retain the present existing ex parte reexamination rules without change, Chapter 30 of title 35, United States Code. In addition we added an optional inter partes reexamination procedure, which, if selected by a third party requestor, would entitle that requestor to participate by filing written documents within the Patent Office only, and would bar the requestor from appealing to the Federal Court of Appeals of the Federal Circuit if the Patent Office decided the patent reexamination in favor of the inventor. In selecting this optional inter partes procedure, however, the requestor would be bound by the decision of the Patent Office and estopped (or prohibited) to contest the decision in any other civil action outside the Patent Office.

This means fairness for everybody. For the inventor who has a request for reexamination filed against him in the present ex parte reexamination process, he still has the same rights as he does under the present law: (a) the third party has to rely on his initial written documents and cannot participate in the discussion between the inventor and the patent office; (b) the third party has no right to appeal in the event he loses his challenge; and (c) if the inventor loses, he still maintains his right to appeal to the Court of Appeals.

For the third party, he may either proceed under the present law, as outlined above, or have the option to file under the inter partes reexamination procedure, and file further documents (as opposed to just the initial documents) and thus participate in the proceedings in the patent office, but with no right to a court appeal if the Patent Office decides against him, and with an estoppel (prohibition) against his challenging the Patent Office decision in any forum.

With regard to title VI—Patent and Trademark Office, we are proud to say that the sole mission of the Patent Office is to protect intellectual property. And, the title lets the Patent Office retain and use for its purposes all the revenues and receipts. This means the Patent Office will have additional funds to retain professional staff, provide increase training and facilities, and make the patent system as affordable as possible to small entrepreneurs.

Ms. LOFGREN. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentlewoman from California (Ms. LOFGREN) has 4 minutes remaining. The gentleman from North Carolina (Mr. COBLE) has 3 minutes remaining.

Ms. LOFGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the American Inventors Protection Act of 1999 revamps our patent system so it is ready to meet the challenge of our Nation’s high-tech industry and the global economy.

We had a spirited debate in the last Congress on our predecessor bill, H.R. 400. While H.R. 400 did pass the House, it died in the Senate. This year I believe we made the changes that meet the concerns raised during the floor debate in committee.

The bill was first published as a committee print so everyone could make known their objections and so final details could be carefully considered before the bill’s formal introduction.

Now that the Subcommittee on Courts and Intellectual Property has favorably reported the result of all that effort, as has the full committee, I encourage support of the bill.

It requires early publication of our foreign competitors’ technology, it protects American investors from unscrupulous invention promoters, it protects domestic manufacturers and jobs from late-filed and issuing patents, half of which are foreign owned, it provides an inexpensive and efficient system for challenging improvidently granted patents, and it gives the Patent and Trademark Office operational flexibility that it needs.

Under this bill, no U.S. inventor who seeks patent protection only in the United States will have to publish their patent application, that is, if they wish to maintain their invention’s secrecy.

But a U.S. inventor will get to see what foreign competitors are seeking to patent here more than a full year earlier than is the case under current law.

While the administrative procedure for testing patents in the PTO by expert examiners will be made fairer, thus enhancing its utility, a number of safeguards have been added to ensure that patentees, especially those of limited financial means, will not be harassed or otherwise subject to predatory tactics.

In addition to the PTO’s being reorganized into a performance-based organization, the creation of the statutory advisory committee will be of value both to the Congress, the President, and the public.

This Act will strengthen our Nation’s technological leadership, protect American workers, and reduce the cost of obtaining and enforcing patents in the United States.

When I stood earlier this evening, I expressed reservations about the changes that were made in the bill between reporting, I would say unanimously by the full committee, and receipt of the bill today.

As I mentioned, legislating is like making sausage. There are many aspects that are not delightful. But I would note that the changes that have been made are explained by the chairman are quite discrete ones.

As the gentleman from California (Mr. ROHRABACHER) pointed out, the bulk of this bill is exactly what was reported by the committee. It has been available for discrete changes, support the bill. I urge that my colleagues would support the bill. I hope that the Senate will act swiftly to get this long overdue measure enacted into law.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to the gentlewoman from Ohio (Ms. KAPTUR) I did not yield to her earlier because I did not have the time; and the gentlewoman from California (Ms. LOFGREN) did yield 10 minutes, so I do not think anybody was cutting anybody off.

Much has been said about coming here tonight. Last night, this bill was on the calendar. But in an effort to make yet more changes for the independent inventors, we are here tonight, almost at the bewitching hour. Fifty-five cosponsors, Mr. Speaker, nine hearings have been conducted, 90 witnesses have been before three sessions of the Congress.

No, this is not a Johnny-come-lately. This is not a guy who came to the party at midnight. We know this visitor. This visitor is well known to all of us.

Let me tell my colleagues, Mr. Speaker, who sponsors it, who supports the bill: Inventors Digest and independent inventor Robert Rines. I mentioned the gentleman from California
(Mr. ROHRABACHER), the gentleman from California (Mr. CAMPBELL), the gentleman from Illinois (Mr. MAZZUCCOLI), the gentleman from Indiana (Mr. BURTON) because they opposed this last year.

The gentlewoman from Ohio (Ms. GEFHARDT) said, well, there is only four or five. Well, this is representative. If we get a sampling of a dozen people, we have gotten a good input.

The gentleman from Missouri (Mr. GEHRKE), the minority leader. Both parties, Republican and Democrat, have high-tech agendas, and this matter is on both those agendas. Patent Coalition, major associations involved in intellectual property, Bipartisan and unambiguous support of members of the Subcommittee, all of this and Intellectual Property and the Committee on the Judiciary.

I think the significant feature here, Mr. Speaker, is that intellectual property is so obviously important to the well-being of our economy, and it must constantly refine how your organizations operate in order to remain competitive in the face of a changing environment.

Mr. ROHRABACHER. Mr. Speaker, I rise today in strong support of this important legislation, and I want to congratulate those who worked so hard to reach this agreement. This is a very good bill and a very, very important bill to protect the competitiveness of American business and American inventors, large and small.

I commend the gentleman from North Carolina, my good conservative friend, and the gentleman from California, Mr. ROHRABACHER, for pushing this legislation forward. Both gentlemen know how important this legislation is for the American people.

The country is currently dealing with a situation where we have got to act and act now to protect American inventors from a situation where that technology is being stolen under current law.

Under current law, every single patent that is pending in any of the other major industrial countries around the world is published after 18-months, in Japanese, in German, in French, for those inventors and those countries to see. Forty-five percent of all the patents filed with the U.S. Patent Office are filed by foreign inventors, and U.S. inventors do not get to see that technology filed here in the United States.

This bill provides greater protection for the small inventor by improving the patent pending provisions of the law. This bill protects the small inventor in this country by giving them the opportunity to get capital behind those inventions much sooner than they get under current law.

Mr. Speaker, this is a good bill. It is a good bill for the little guy, and we should vote for the bill and get this major improvement to competitiveness in the United States against our foreign competition done.

Mr. BERMAN. Mr. Speaker, I rise in strong support of H.R. 1907. As ranking member of the Subcommittee on Courts and Intellectual Property, I can attest to the longstanding efforts of my colleagues and predecessors on the Subcommittee, Carlos Moorehead, Pat Schroeder, and BARNEY FRANK, on behalf of this legislation. Now thanks to the very hard work of the gentleman from North Carolina and his staff, with the assistance of the gentlelady from California, we now move one step closer to enactment of reforms that will more effectively protect the creativity and investments of American inventors, entrepreneurs, and businesses.

A voluminous record has been compiled by our subcommittee in support of this legislation, comprising many days of hearings over several Congresses. As a result of that record, I am convinced that this bill is unquestionably in the national interest. I embrace the conclusions of the 21st Century Patent Coalition that the bill will improve the quality of patents, reduce the costs of resolving patent disputes, put an end to rules favoring foreign applicants over American companies, protect American businesses and jobs, and not least of all, strengthen the rights of inventors who now...
suffer from delays at PTO that are not their fault.

In view of the strong support of a wide range of associations and interests, including a very large number of Fortune 500 companies, the Biotechnology Industry Association, the Computer and Communications Industry Association, the Pharmaceutical Research and Manufacturers Association, the Business Software Alliance, the National Association of Manufacturers—why even the Indiana Manufacturers Association—the obstacles that have been thrown up to our efforts to get this bill scheduled for consideration are very hard to understand.

While I supported earlier versions of this legislation, including H.R. 400 as approved by our Committee last year, I am always loathe to make the best enemy of the good. Today's legislation has won broader support than previous versions of this legislation, and I salute my colleagues from North Carolina and his staff for their patience and persistence in bringing us a giant step closer today to our mutual goal of patent reform.

I strongly support this bill, and urge my colleagues to do so as well. Mr. COBLE of California, Mr. Speaker, I rise today in support of H.R. 1907, the American Inventors Protection Act. The bill, introduced by Representatives COBLE and Berman, and now cosponsored by a bipartisan coalition, will provide much needed patent protection to American inventors. This bill also makes the Patent and Trademark Office (PTO) more accountable to its customers, and allows customers to recoup patent term lost during the patent process at the PTO. Without a doubt, H.R. 1907 is a pro-growth bill that would foster technological advancements without leaving the small businessman behind.

The United States is by far the world's largest producer of intellectual property. Many other nations have learned from our success, and have enacted laws targeted at protecting intellectual property developed by small businesses and industries. Major changes are needed in U.S. patent law to ensure that American inventors and businesses that are largely dependent on the development of intellectual property have the opportunity to compete and win in the global marketplace.

Enactment of this legislation is crucial to promoting growth in the New Economy and to ensuring that the competitiveness of the U.S. high-tech sector, including biotechnology will be enhanced by this bill.

The bill would require the publication of patent applications at eighteen months—a requirement that would make U.S. patent law consistent with the laws of our leading foreign competitors. Under the current two-tiered system almost 80 percent of all patent applications pending in the United States are never issued patents. And the authorities are not required to reveal the subject of their applications until after a U.S. patent is issued.

Patent reform legislation also targets a practice known as "submarine patenting," in which a patent applicant deliberately files a very broad application and then delays the issuance of a patent for several years until someone else, who is unaware of the hidden patent application, invests in research and technology to develop a new consumer product. When the product is developed, the holder of the "submarine patent" rises above the surface to sue those who have developed the technology.

Submarine patent filings have risen sharply since the early 1980's. One of these submarine patents cost one company more than $500 million, not including court costs, taking R&D dollars out of the system. Reform is needed to prevent individuals from manipulating the system at great costs to others who are investing in research and innovation.

The U.S. should promote industries and sectors of our economy that provide the U.S. with the greatest relative competitive advantage in world commerce. The U.S. is a leader in research, innovation, and the development of intellectual property, but this advantage could be jeopardized if U.S. patent law is not reformed to create a level playing field with our competitors. U.S. patent law should be reformed to ensure that our businesses and researchers are well positioned to compete in the global economy today and into the future.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 1907, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COBLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Speaker pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceeding on this motion will be postponed.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Mr. TOOMEY. Mr. Speaker, pursuant to section 7(c) of House rule XX, I hereby notify the House of my intention tomorrow to offer the following motion to instruct House conferences on H.R. 1905, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk reads as follows:

Mr. TOOMEY moves that the managers on the part of the House at the conference on the disagreement of the two Houses on the Senate amendments to the bill H.R. 1905 be instructed to insist upon—

1. The House provisions for the funding of the House of Representatives under title I of the bill;

2. The Senate amendment for the funding of the Senate under title I of the bill, including funding provided under the heading "JOINT ITEMS—ARCHITECT OF THE CAPITOL—Capitol Buildings and Grounds—senate office buildings";

3. The House provisions for the funding of Joint Items under title I of the bill, other than the funding provided under the heading "JOINT ITEMS—ARCHITECT OF THE CAPITOL—Capitol Buildings and Grounds—senate office buildings"; and

4. The House version of title II of the bill.

SPECIAL ORDERS

The SPEAKER pro tempore (Ms. NORTHUP). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

VACATION OF SPECIAL ORDER AND GRANTING OF SPECIAL ORDER

Mr. DELAY. Madam Speaker, I ask unanimous consent to vacate the time allotted to the gentleman from Indiana (Mr. BURTON) and take it myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRESIDENT IS REWRITING HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DELAY) is recognized for 5 minutes.

Mr. DELAY. Madam Speaker, I rise today to set the record straight. The President of the United States was in Chicago today taking all kinds of credit for the successes of the Welfare Reform Act that was passed by this Congress and signed by the President.

This President has taken a lot of credit for a lot of things over the last few years, particularly over the years that the Republicans had maintained a majority of this Congress. Frankly, Madam Speaker, I have had just enough.

This President, Madam Speaker, has not initiated one thing, one piece of legislation that he takes credit for.

I will grant him that he finally signed many of the pieces of the legislation, but he has not lifted one finger to pass any of this legislation that he takes credit for through this Congress.

There should be no mistake about it, the well-documented success of welfare reform is the work of the Republican majority in this Congress. Back in 1994, Republicans campaigned on a plan that included comprehensive welfare reform. The Contract With America put Republicans in control of Congress, and we delivered on our agenda.

History should not be rewritten. The President and the Democrats in Congress fought Republicans tooth and