92D CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 92-475

INTERNATIONAL PATENT AND TRADEMARK STUDIES

SEPTEMBER 14, 1971.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. KASTENMEIER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 1253]

The Committee on the Judiciary, to whom was referred the bill (S. 1253) to amend section 6 of title 35, United States Code, "Patents," to authorize domestic and international studies and programs relating to patents and trademarks, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

This legislation would authorize the United States to make voluntary contributions to such organizations as the United International Bureau for the Protection of Intellectual Property and the Committee for International Cooperation in Information Retrieval Among Patent Offices in order to defray the cost of studies and other projects in connection with international patent and trademark matters.

STATEMENT

This bill was introduced at the request of the Department of Commerce, as was an identical House measure, H.R. 5238. A hearing was held before the Patent Subcommittee on May 5, 1971. The committee finds merit in the legislation and recommends its enactment. For its report herein the committee adopts the substance of Senate Report No. 92-71 as follows:

U.S. participation in cooperative international efforts in the patent and trademark fields is vitally important to the American business community. Until recent years the international role of the United States in these areas was limited primarily to membership in the Paris Convention of 1883. The United States has now assumed a more active role in the international protection of patents, trademarks, and intel-

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lectual property. The United States was instrumental in the establishment of the World Intellectual Property Organization and the drafting and signing of the Patent Cooperation Treaty of 1970. In addition the programs of the Committee for International Cooperation and Information Retrieval Among Patent Offices in coordinating the development of mechanized patent search systems are of great value to those who make use of the patent system.

The United States currently may not make voluntary contributions for the support of the programs of these international agencies because of the lack of any statutory authorization. The committee has been advised by the Department of Commerce that the inability of the United States to contribute to the support of these projects, in whose creation this country was instrumental, is a source of embarrassment at international meetings, particularly in view of the cash contributions made by other countries.

Sectional Analysis

Subsection (a) of the amended section 6 of title 35 includes the same provisions presently incorporated in section 6 of title 35, United States Code. It also adds the phrase "shall have the authority to carry on studies and programs regarding domestic and international patent and trademark law." This phrase is merely intended to state specifically an already existing authority clearly implied in present section 6.

Subsection (b) provides that the Commissioner of Patents may, under the direction of the Secretary of Commerce and in coordination with the Department of State, carry on or authorize to be carried on, programs and studies with foreign patent offices and international intergovernmental organizations in connection with the performance of the duties outlined in subsection (a). Again, this merely states specifically an already existing authority of the Commissioner implied in present section 6.

Subsection (c) provides that the Commissioner may, under the direction of the Secretary of Commerce and with the concurrence of the Secretary of State, transfer appropriated funds of the Patent Office to the Department of State for the purpose of making special payments to international intergovernmental organizations for studies and programs concerning patents, trademarks, and related matters. The amount of such payments are limited to $100,000 in any year.

Cost to the United States

By its terms, the cost of the subject legislation to the U.S. Government cannot exceed $100,000 in any year.

Commerce Department Explanation

The need for S. 1253 is detailed in the following letter, dated September 9, 1971, from the Acting General Counsel of the Department of Commerce to Chairman Celler, in support of the identical bill, H.R. 5238:

General Counsel of the Department of Commerce,
Washington, D.C., September 9, 1971.

Hon. Emanuel Celler,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Department of Commerce would appreciate early congressional action on H.R. 5238 now being considered by Subcommittee No. 3 of the House Committee on the Judiciary. The bill would amend section 6 of title 35, United States Code, to permit voluntary cash contributions, not to exceed $100,000 per year, to international organizations in support of programs relating to patents and trademarks. In particular, the bill would provide authority to make cash contributions to the World Intellectual Property Organization (WIPO) in support of the Patent Cooperation Treaty, ICIREPAT (International Committee for Information Retrieval among Patent Offices), and the International Patent Classification activities.

H.R. 5238 was introduced on request of this Department on March 1, 1971, by Representative Kastenmeier and hearings were held on May 5, 1971, before Subcommittee No. 3 of your committee. An identical bill, S. 1253, was introduced by Senator McClellan, also on request of this Department, and was passed by the Senate on April 22, 1971.

The need for cash contributions to the World Intellectual Property Organization (WIPO) arose in 1968 when it became apparent that the normal Paris Union budget (to which the United States at this time contributes not more than $15,000 annually) could not support international programs relating to the protection of industrial property. U.S. participation in these cooperative international efforts, particularly the Patent Cooperation Treaty, is vitally important to our national interest in increasing the competitive strength of U.S. exports to foreign markets and improving our balance-of-payments position.

Despite the importance of these projects to the United States, a number of which were begun at our request, we are the only major country which has not made voluntary cash contributions. We have no authority under existing law to do so. Enactment of H.R. 5238 would provide such authority.

As indicated above, one of the most important programs in need of financial support from the United States and other countries is implementation of the Patent Cooperation Treaty. This treaty has already been signed by the United States and thirty-four other countries. It would provide a much-needed system for simplifying the filing and prosecution of patent applications on an international scale. The treaty is particularly important to the United States, in that it would also establish an interrelationship with the patent agreement presently being developed by the European Economic Community and the European Free Trade Association countries. Although the treaty is not yet in effect, a considerable amount of preparatory work is necessary at this time in anticipation of its implementation.

A meeting of the Executive Committee of the Paris Union is scheduled for September 27 to October 2, 1971, in Geneva, Switzerland. The

major points for discussion are the consideration of the program, budget, and special contributions to various international projects, including the Patent Cooperation Treaty. In attempting to minimize criticism from countries making voluntary cash payments, the United States at previous meetings pledged the services of personnel. Other major contributing countries have openly contended that this arrangement is unfair both to them and to WIPO, and these countries have predicated their continuance of cash payments beyond 1971 upon cash contributions by the United States.

In sum, the lack of statutory authority to make cash contributions in support of the international programs referred to above has placed the United States in an acutely embarrassing position internationally, leaving us open to concentrated criticism from the countries now contributing cash. Of particular concern is the fact that unless we can promise a monetary contribution to the Paris Union at the upcoming Geneva meeting, preparatory work for implementation of the Patent Cooperation Treaty and other international programs relating to the protection of industrial property may be severely curtailed or halted altogether and may result in the failure of these programs.

We are convinced that passage of H.R. 5238 will not only avoid further embarrassments, but will lead to the strengthened international protection of valuable property rights for our business community and should benefit U.S. exports and our balance-of-payments position as well.

In view of the urgency of this matter, we hope that your committee can give prompt consideration to this bill. We will be pleased to respond to any further questions you may have.

Sincerely,

KARL E. BAKKE,
Acting General Counsel.

CHANGES IN EXISTING LAW

In compliance with clause 3 or rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 35, UNITED STATES CODE

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§ 6. Duties of Commissioner.

(*a*) The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trademarks; *shall have the authority to carry on studies and programs regarding domestic and international patent and trademark law;* and [he] shall have charge of property belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office.

(b) The Commissioner, under the direction of the Secretary of Commerce, may, in coordination with the Department of State, carry on programs and studies cooperatively with the foreign patent offices and international intergovernmental organizations, or may authorize such programs and studies to be carried on, in connection with the performance of duties stated in subsection (a) of this section.

(c) The Commissioner, under the direction of the Secretary of Commerce, may, with the concurrence of the Secretary of State, transfer funds appropriated to the Patent Office, not to exceed $100,000 in any year, to the Department of State for the purpose of making special payments to international intergovernmental organizations for studies and programs for advancing international cooperation concerning patents, trademarks, and related matters. These special payments may be in addition to any other payments or contributions to the international organization and shall not be subject to any limitations imposed by law on the amounts of such other payments or contributions by the Government of the United States.

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