So right away a lot of us just decided that it was time to make a change. The IRS had promised to clean up their act, but the privacy of citizens was not protected, so a bill passed this morning that said not only is it wrong, but IRS agents would be subject to the same penalties you and I would be subject to if we violated the privacy of another individual by wiretapping or getting into their personal affairs illegally.

It says, simply, that they will have civil, that means monetary, damages personally against them, and that they can go to jail, because we hold this right of privacy very, very closely in America. There has been a double standard, that agencies have not protected that privacy as we would demand and we have a right to expect.

Later this day, though, we had another vote. It was a good vote. It was a majority vote for the taxpayer. Two hundred and thirty-three Members of Congress had the courage to stand up and say it is time that it be harder to raise your taxes than it is to raise spending, so we have to raise your taxes again, as has been going on for many years.

My mom and dad's income tax to the Federal Government would be less than 4 percent, when they were raising me. Today, my children, who are raising my grandchildren, their tax is nearly a quarter, and will be nearly a half, when we count all taxes on these young families. We have to expect that to grow on my grandchildren.

Mr. Speaker, we took that vote. It did not win, even though we had a majority, because it takes a supermajority for that type of vote. But it was a good vote for the American people, to show them that at least a majority of Congress now care about the American people, the family that is paying that tax, and that 40, 50, or even 25 percent is more than we should be taking from the working family who would rather spend that time with their family; a very good day for the taxpayer.

But the American people have to understand that they have to stay diligent, because until a few years ago when I was written in for Congress, and I did not run, I was written in, I was not paying attention to Congress. But when I got here I found that it was very hard to say no to the groups that came to you and wanted something, but very easy to say yes to them, and then, a cumulative giving the tax increase, or the burden to the next generation in a debt.

This is a very good time, but only if the American people address this time and weigh in. Again, this has been a good day for the American people, but they need to contact their Senators and encourage them to also pass the tax snooping bill to stop the IRS from invading privacy.

H.R. 400 LEVELS THE PLAYING FIELD FOR AMERICAN INVENTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBLE] is recognized for 5 minutes.

Mr. COBLE. Mr. Speaker, there have been many accusations about H.R. 400, popularly known as the patent bill, which will be on the floor this coming Thursday, allowing the Japanese and other foreign entities to steal our technology. The problem is that those making these accusations are disseminating misinformation, or inaccurate information to be more specific.

This bill does not discriminate against American applicants. On the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country. It is the current system that protects what the gentleman from California [Mr. ROHRABACHER] calls Japanese or Chinese interests.

Under the abuses employed by foreign applicants today, which continue to be allowed under the bill of the gentleman from California, foreign applicants are laughing all the way to the bank.

Get this: A foreign applicant can file a patent application in his own country, or anywhere other than the United States, while delaying his application in the United States; a practice, by the way, which H.R. 400 prevents. Consequently, the foreign applicant's patent issues quickly overseas and not in the United States until much later.

Under the Rohrabacher system, as the foreign-issued patent is about to expire, the foreign company may then abandon its delay tactics in the United States and allow its U.S. patent to issue, ensuring years of monopoly protection in our country. So the foreign applicant initially prevents American companies from selling competing products abroad, and to make matters worse, when the foreign patent expires, the foreign applicant receives a U.S. patent, which then prevents American companies from selling competing products here.

This encourages, by the way, Mr. Speaker, American companies to move overseas taking with them American jobs.

Here is another example: Right now a foreign applicant can come into the United States, take a product which is being held as a trade secret by an American company, patent it, and make the American inventor pay royalty fees for its own invention. This actually occurs.

Small businesses represented who testified in front of our subcommittee have shared their personal stories about this. The gentleman from California, Mr. ROHRABACHER'S bill allows this to continue. H.R. 400 allows the original American inventor to continue using his invention in the same way he was using it before he was sued by the foreign patent holder.

Here is another abuse, committed by foreign and American applicants which the gentleman from California, [Mr. ROHRABACHER] allows and which our bill, H.R. 400, stops; it is called submarine patenting.

This procedure is a tool of self-serving predators who purposely delay their applications and keep them hidden under the water until someone else with no way to know of the hidden applications invests in the research and development to produce a new consumer product, only to have the submarine rise above the surface and sue them for their innovation.

One recent suit earned a submariner $450 million at the expense of consumers. Submariners do not hire workers, do not invest in the economy, and they do not advance technology. They only live to sue others who do invest and contribute.

The gentleman from California, [Mr. ROHRABACHER] will tell you that there are hardly any submariners out there and that they constitute a minuscule amount. Of course, we all know that if you make your living suing American innovators, you sue as many as possible and hope to settle for nuisance value.

That is why many cases initiated by submariners are not recorded. I urge everyone to take a look at the front page story of the Wall Street Journal about the problem which appeared on April 9. It is a great problem which my bill prevents. And it is these submariners, Mr. Speaker, who probably stand to benefit more than any other group if our bill is defeated.

Some folks are confused about what this bill does and does not do in view of my previous illustrations. There have been some concerns that have arisen which have involved great discussion and significant negotiation. Those will form the basis of a floor manager's amendment which I will offer to this body on Thursday.

Inventors have complained that the office has not been able to spend its valuable resources on the most important function of the office, that is the Patent and Trademark Office.

Mr. Speaker, I appreciate the support of my colleagues on Thursday.

Mr. Speaker, I want to take 5 minutes to address some of the scare tactics being employed by critics to a very important patent law reform bill coming to the floor and explain the contents of an important floor manager's amendment which will be offered to H.R. 400 on Thursday. After much negotiation with all interests involved with this bill, the Judiciary Committee will put forth a comprehensive amendment containing many improvements and alleviating many concerns, especially of the independent inventor and small business communities.

There have been many accusations about H.R. 400 allowing the Japanese, or other foreign entities, to steal our technology. The problem is that those making the accusations don't understand the bill. This bill does not discriminate against American applicants, on the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country.

It is the current system that protects what Mr. ROHRABACHER calls Japanese or Chinese interests. Under the abuses employed by foreign applicants today, which continue to be allowed under Mr. ROHRABACHER's bill, foreign

applicants are laughing all the way to the bank.

Get this: a foreign applicant can file a patent application in his own country, or anywhere other than the United States, while delaying his application in the United States—a practice which H.R. 400 prevents. Consequently, the foreign applicant's patent issues quickly overseas, and not in the United States until much later. Under the Rohrabacher system, as the foreign-issued patent is about to expire, the foreign company may then abandon its delay tactics in the United States and allow its U.S. patent to issue, ensuring years of monopoly protection in our country. So the foreign applicant initially prevents American companies from selling competing products abroad, and to make matters worse, when the foreign patent expires, the foreign applicant receives a U.S. patent which then prevents American companies from selling competing products here. This encourages American companies to move overseas, taking American jobs with them.

Here's another example: right now a foreign applicant can come into the United States, take a product which is being held as a trade secret by an American company, patent it, and make the American inventory pay royalty fees for its own invention. This really happens. Small businesses who testified in front of our subcommittee have shared their personal stories about this. Mr. ROHRABACHER's bill allows this to continue. H.R. 400 allows the original American inventor to continue using his invention in the same way he was using it before he was sued by the foreign patent holder.

Here's another abuse, committed by foreign and American applicants, which Mr. ROHRABACHER allows and H.R. 400 stops. It's called submarine patenting. This procedure is a tool of self-serving predators who purposely delay their applications and keep them ''hidden under the water'' until someone else, with no way to know of the hidden application, invests in the research and development to produce a new consumer product, only to have the submarine rise above the surface and sue them for their innovation. One recent suit earned a submariner $450 million at the expense of consumers. Submariners do not hire workers, invest in the economy, or advance technology. They only live to sue others who do invest and contribute. Mr. ROHRABACHER will tell you that there are hardly any submariners out there and that they constitute a minuscule amount. Of course, we all know that if you make your living suing American innovators, you sue as many as possible and hope to settle for nuisance value. That's why many cases brought by submariners are not recorded. I urge everyone to take a look at the front page story of the Wall Street Journal about this problem which appeared on April 9. It is a great problem which my bill prevents.

So you see, Mr. Speaker, some folks are confused about what this bill does and what it doesn't do. There have been some concerns that have come up on which there has been great discussion and significant negotiation. Those will form the basis of a floor manager's amendment which I will offer on Thursday.

Inventors have complained that the Office has not been able to spend its valuable resources on the most important function of the Office—granting patents and issuing trademarks with quality review in the shortest time possible. The manager's amendment separates completely policy functions from operational functions. Policy functions are left to the Department of Commerce, while management and operational functions are vested completely in the PTO. This will allow the PTO to be led by a Director who will have only one mission: to process and adjudicate efficiently and fairly the important Government functions of granting patents and issuing trademarks.

Independent inventors and small businesses have expressed concern over the publication requirement contained in the bill. While publication has many benefits for both of these groups, the manager's amendment will give them a choice over whether or not they wish to be published. It will effectively exempt independent inventors and small businesses from publication by deferring it until 3 months after they have received at least two determinations on the merits of each invention claimed on whether or not their patent will issue. At this stage, the applicant knows whether or not his patent will issue, in which case it would be published anyway under today's law. If it will not be granted, the applicant can withdraw its application and avoid publication and protect the invention by another means.

Critics have been concerned about the language in the bill, taken from current applicable law, that allows the PTO to continue its current practice of accepting gifts in order to allow examiners to visit research sites to help them to a better job. In order to alleviate any concerns, founded or unfounded, the manager's amendment will explicitly subject the acceptance of any gifts to the provisions of the criminal code and require that written rules be promulgated to specifically ensure that the acceptance of any gifts are not only legal, but avoid any appearance of impropriety.

The manager's amendment will also adopt two measures included in a bill introduced by my colleague, Mr. HUNTER of California, which provide for an incentive program to better train examiners, and require publication for public inspection all solicitations made by the PTO for contracts. These are good ideas that make H.R. 400 an even better bill, and I thank the gentlemen for his contribution to this important debate.

While the current bill ensures that the Advisory Board for the new PTO should be comprised of diverse users of the Office in order to help Congress conduct more effective oversight, the manager's amendment will explicitly require that inventors be included as members. While this was always the intent of the provision, it will be clarified.

The Appropriations Committee has expressed concern over the borrowing authority in the bill, and critics, although many misunderstand how the authority works under the control of Congress, have made much ado about a procedure which would offer a small possibility for the new PTO to borrow money instead of having to raise fees on inventors to pay for any high technology future projects. Accordingly, the manager's amendment will strike the borrowing authority provisions from the bill.

In further guaranteeing an inventor at least 17 years of patent term from the time of issuance, the manager's amendment will allow inventors adequate time to respond to inquiries from the PTO regarding their applications. The manager's amendment will also allow inventors who were adversely affected by the change in patent term in 1995 to receive a further limited examination to avoid losing term.

Small businesses and independent inventors have been concerned that the new PTO may not recognize the longstanding reduction in fees applicable to these constituencies. The manager's amendment requires that the agency continue to provide that small businesses and independent inventors pay half-price for their patent applications.

Independent inventors have claimed that the reexamination provisions contained in H.R. 400 are too broad, even though they simply offer an alternative to expensive Federal court litigation that occurs today at the expense of and sometimes leading to the bankruptcy of small businesses and independent inventors. To make reexamination an even more attractive and cheaper alternative, the manager's amendment will require all multiple requests for reexamination to be consolidated into a single proceeding.

Importantly, reexamination is also limited to prior patents and publications and will not be expanded at all from the process as it is done today.

As you can see, Mr. Speaker, the committee has been constructively engaged with the small business and independent inventor community for over 2 years. These final safeguards for those constituencies will be added to the numerous safeguards already contained in the bill, including special provisions for the university and research communities.

SUBMARINE PATENTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. Speaker, the gentleman from North Carolina, [Mr. COBLE] and I, who have disagreement, have great great respect for one another; and I am very happy to have the gentleman from North Carolina as an admired adversary on this particular bill. Although we agree on 90 percent of everything else, we strongly disagree on this particular bill. And I am very pleased that we can do this in the spirit of friendship. I thank the gentleman.

Just a couple thoughts about the battle that will take place here on the floor of the House of Representatives on Thursday. It is a battle between two different distinct points of view as to what direction our country should go in terms of patents.

There are several issues at stake. One of the issues is not submarine patenting. The submarine patenting which is being used as an excuse to pass all kinds of other things within a bill is not a factor in this debate.

The Congressional Research Service has found that my substitute, the Rohrabacher substitute, as well as the bill of the gentleman from North Carolina, [Mr. COBLE] bill, H.R. 400, will end the practice of submarine patenting.

This was found by an independent body that examined both of our pieces of legislation and came to the conclusion that the practice of submarine patenting, which was of limited importance to begin with, will be put to an end forever in both of our bills.