

H.R. 925: Mr. KUCINICH, Mr. OWENS, Mr. KIND of Wisconsin, Mr. DAVIS of Illinois, Mr. BARRETT of Wisconsin, and Ms. SLAUGHTER.

H.R. 947: Mr. BROWN of California.

H.R. 950: Mr. GUTIERREZ, Mr. OBERSTAR, Ms. WOOLSEY, Mr. BORSKI, Mr. KUCINICH, Mr. LEWIS of Georgia, Ms. LOFGREN, and Mr. JACKSON.

H.R. 956: Mr. DREIER and Mr. PICKERING.

H.R. 965: Mr. GALLEGLY and Mrs. CUBIN.

H.R. 981: Mr. SCHUMER and Ms. HOOLEY of Oregon.

H.R. 982: Mr. SCHUMER.

H.R. 1010: Mr. BERRY, Mr. TURNER, and Mr. NETHERCUTT.

H.R. 1033: Mr. CALVERT and Mr. RADANOVICH.

H.R. 1039: Ms. LOFGREN and Mr. MEEHAN.

H.R. 1053: Mr. FRANK of Massachusetts, Mr. STARK, and Mr. HOBSON.

H.R. 1071: Mr. ACKERMAN and Mr. MCINTYRE.

H.R. 1079: Mr. TRAFICANT, Mr. SABO, Mr. LIPINSKI, Mr. DELLUMS, Mr. BECERRA, Mr. OLVER, Mr. EVANS, Mr. DEFAZIO, Mr. DAVIS of Illinois, Mr. STARK, Mrs. CARSON, Mr. VENTO, Mr. LEWIS of Georgia, Ms. CHRISTIAN-GREEN, Mrs. MEEK of Florida, Mr. RAHALL, Mr. STUPAK, Mr. PASCRELL, Mr. KUCINICH, Mrs. MINK of Hawaii, Mr. CONYERS, Ms. MCKINNEY, Mr. NADLER, Mr. YATES, Ms. KAPTUR, Mr. OWENS, Mr. HINCHEY, Mr. GONZALEZ, Mr. HOLDEN, Mr. BOYD, Mr. MCGOVERN, Mr. TIERNEY, Ms. SLAUGHTER, Mr. CLYBURN, Mr. BROWN of Ohio, Mr. MASCARA, Mr. RUSH, Mr. PALLONE, Ms. NORTON, and Mr. TORRES.

H.R. 1126: Mr. LAZIO of New York.

H.R. 1132: Mr. OLVER, Mr. MEEHAN, Mrs. KELLY, Mr. LEWIS of Georgia, Mr. DELLUMS, Mr. YATES, Ms. SLAUGHTER, Mr. ROTHMAN, Mr. ABERCROMBIE, Ms. MCKINNEY, and Mr. GUTIERREZ.

H.R. 1134: Mr. BLILEY.

H.R. 1138: Mr. CHABOT, Mr. DEFAZIO, Mr. COX of California, Mrs. CHENOWETH, Mr. CAMP, and Mr. POMBO.

H.R. 1161: Ms. LOFGREN.

H.R. 1166: Mr. BERMAN, Mr. EVANS, Mr. McNULTY, Mr. DICKS, Mr. CARDIN, Mr. FROST, Mr. McDERMOTT, Mr. DELAHUNT, Mr. LEWIS of Georgia, Mr. KILDEE, Mr. KENNEDY of Rhode Island, Mrs. MINK of Hawaii, Ms. CHRISTIAN-GREEN, Mr. GREEN, and Mr. PASCRELL.

H.R. 1169: Mr. WELDON of Florida.

H.R. 1227: Mr. CALVERT and Mr. RADANOVICH.

H.R. 1232: Mr. FOLEY, Mr. CUNNINGHAM, Mr. DEAL of Georgia, and Mr. McHUGH.

H.R. 1247: Mr. YOUNG of Alaska and Mr. PAPPAS.

H.R. 1263: Mr. DELAHUNT, Mr. LIPINSKI, Mr. MEEHAN, Mr. BALDACCIO, Mr. FRANK of Massachusetts, and Mr. DELLUMS.

H.R. 1288: Mr. FILNER, Mr. TOWNS, Ms. LOFGREN, Ms. CHRISTIAN-GREEN, Ms. DELAURO, Mr. FROST, and Mr. DEFAZIO.

H.J. Res. 54: Mr. SMITH of Michigan.

H. Con. Res. 6: Mr. DINGELL.

H. Con. Res. 8: Mr. UNDERWOOD.

H. Con. Res. 55: Mrs. MORELLA, Mr. DOYLE, Mr. McHUGH, Mr. TORRES, Mr. WALSH, Mr. KNOLLENBERG, Mr. FARR of California, and Mr. NORWOOD.

H. Res. 98: Mr. ABERCROMBIE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 400

OFFERED BY: MR. CAMPBELL

AMENDMENT NO. 1: amend section 302(C)(2), p. 68 of March 20 text: Strike lines 4-6.

Insert: "under this chapter, and such use shall not be greater in quantity, volume, or

scope than had been the actual quantity, volume, or scope of the prior use, however, the defense shall also extend to improvements in "

Amend section 302(C)(6), p. 69 of March 20 text:

At line 23, strike "." add: "; in which case the use of the defense shall not be greater in quantity, volume, or scope than had been the actual quantity, volume, or scope of the prior use."

H.R. 400

OFFERED BY: MR. CAMPBELL

AMENDMENT NO. 2: page 48 of March 20 text, strike line 3, insert:

"(11)(b) of this title, as to which there have been two substantive Patent Office actions since the filing, shall be published, in accordance"

Line 17, insert:

"(D) 'Substantive Patent Office action' means an action by the patent office relating to the patentability of the material of the application (not including an action to separate a parent application into parts), unless the patent applicant demonstrates under procedures to be established by the patent office that the office action in question was sought in greater part for a purpose other than to achieve a delay in the date of publication of the application. Such Patent Office decision shall not be appealable, or subject to the Administrative Procedures Act."

H.R. 400

OFFERED BY: MR. COBLE

AMENDMENT NO. 3: Page 3, insert in the table of contents after the item relating to section 149 the following:

Subtitle D—Under Secretary of Commerce for Intellectual Property Policy
Sec. 151. Under Secretary of Commerce for Intellectual Property Policy.
Sec. 152. Relationship with existing authorities.

Page 3, in the item relating to section 402, strike "development" and insert "promotion".

Page 5, line 12, insert "(1)" before "For purposes".

Page 5, insert after line 15 the following:

"(2) As used in this title, the term 'Under Secretary' means the Under Secretary of Commerce for Intellectual Property Policy.

Page 5, line 21, strike "under" and insert "subject to".

Page 6, line 1, strike "conduct" and insert ", in support of the Under Secretary, assist with".

Page 6, line 4, strike ", the administration" and all that follows through line 8 and insert a semicolon.

Page 6, line 9, strike "authorize or conduct studies and programs cooperatively" and insert ", in support of the Under Secretary, assist with studies and programs conducted cooperatively".

Page 7, strike line 23 and all that follows through page 8, line 3, and insert the following:

"(5) may establish regulations, not inconsistent with law, which—

"(A) shall govern the conduct of proceedings in the Office;

Page 9, line 1, insert "shall" after "(E)".

Page 9, after line 6, insert the following:

"(F) provide for the development of a performance-based process that includes quantitative and qualitative measures and standards for evaluating cost-effectiveness and is consistent with the principles of impartiality and competitiveness;

Page 11, strike lines 15 through 17 and redesignate the succeeding paragraphs accordingly.

Page 11, add the following after line 25:

"In exercising the Director's powers under paragraphs (6) and (7)(A), the Director shall consult with the Administrator of General Services when the Director determines that it is practicable, efficient, and cost-effective to do so."

Page 13, strike lines 4 through 18 and redesignate the succeeding subparagraphs accordingly.

Page 14, strike line 18 and all that follows through page 15, line 7, and insert the following:

"(5) COMPENSATION.—The Director shall be paid an annual rate of basic pay not to exceed the maximum rate of basic pay of the Senior Executive Service established under section 5382 of title 5, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of title 5. In addition, the Director may receive a bonus in an amount up to, but not in excess of, 50 percent of such annual rate of basic pay, based upon an evaluation by the Secretary of Commerce of the Director's performance as defined in an annual performance agreement between the Director and the Secretary. The annual performance agreement shall incorporate measurable organization and individual goals in key operational areas as delineated in an annual performance plan agreed to by the Director and the Secretary. Payment of a bonus under this paragraph may be made to the Director only to the extent that such payment does not cause the Director's total aggregate compensation in a calendar year to equal or exceed the amount of the salary of the President under section 102 of title 3.

Page 16, line 2, strike "policy and".

Page 16, insert the following after line 20:

"(3) TRAINING OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent and trademark examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent and trademark examiners."

Page 21, line 13, insert "including inventors," after "Office".

Page 21, line 20, insert after "call of the chair" the following: ", not less than every 6 months."

Page 27, line 9, insert after the period close quotation marks and a second period.

Page 27, strike line 10 and all that follows through page 28, line 14.

Page 32, insert the following immediately before line 10 and redesignate the succeeding paragraphs accordingly:

(5) Section 41(h) of title 35, United States Code, is amended by striking "Commissioner of Patents and Trademarks" and inserting "Director".

Page 33, line 7, strike "Title" and insert "(A) Except as provided in subparagraph (B), title".

Page 33, insert the following after line 9:

(B) Chapter 17 of title 35, United States Code, is amended by striking "Commissioner" each place it appears and inserting "Commissioner of Patents".

Page 33, insert the following after line 12: (12) Section 157(d) of title 35, United States Code, is amended by striking "Secretary of Commerce" and inserting "Director".

(13) Section 181 of title 35, United States Code, is amended in the third paragraph by striking "Secretary of Commerce under rules prescribed by him" and inserting "Director under rules prescribed by the Patent and Trademark Office".

(14) Section 188 of title 35, United States Code, is amended by striking "Secretary of Commerce" and inserting "Patent and Trademark Office".

(15) Section 202(a) of title 35, United States Code, is amended by striking "iv" and inserting "(iv)".

Page 46, add the following after line 23:

Subtitle D—Under Secretary of Commerce for Intellectual Property Policy

SEC. 151. UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY POLICY.

(a) **APPOINTMENT.**—There shall be within the Department of Commerce an Under Secretary of Commerce for Intellectual Property Policy, who shall be appointed by the President, by and with the advice and consent of the Senate. On or after the effective date of this title, the President may appoint an individual to serve as the Under Secretary until the date on which an Under Secretary qualifies under this subsection. The President shall not make more than 1 appointment under the preceding sentence.

(b) **DUTIES.**—The Under Secretary of Commerce for Intellectual Property Policy, under the direction of the Secretary of Commerce, shall perform the following functions with respect to intellectual property policy:

(1) In coordination with the Under Secretary of Commerce for International Trade, promote exports of goods and services of the United States industries that rely on intellectual property.

(2) Advise the President, through the Secretary of Commerce, on national and international intellectual property policy issues.

(3) Advise Federal departments and agencies on matters of intellectual property protection in other countries.

(4) Provide guidance, as appropriate, with respect to proposals by agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection.

(5) Conduct programs and studies related to the effectiveness of intellectual property protection throughout the world.

(6) 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 patent and trademark offices and international intergovernmental organizations.

(7) In coordination with the Department of State, conduct programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations.

(c) **DEPUTY UNDER SECRETARIES.**—To assist the Under Secretary of Commerce for Intellectual Property Policy, the Secretary of Commerce shall appoint a Deputy Under Secretary for Patent Policy and a Deputy Under Secretary for Trademark Policy as members of the Senior Executive Service in accordance with the provisions of title 5, United States Code. The Deputy Under Secretaries shall perform such duties and functions as the Under Secretary for Intellectual Property Policy shall prescribe.

(d) **COMPENSATION.**—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

“Under Secretary of Commerce for Intellectual Property Policy.”

(e) **FUNDING.**—Funds available to the United States Patent and Trademark Office shall be made available for all expenses of the office of the Under Secretary for Intellectual Property Policy, subject to prior approval in appropriations Acts. Amounts made available under this subsection shall not exceed 2 percent of the projected annual revenues of the Patent and Trademark Office from fees for services and goods of that Office. The Secretary of Commerce shall determine the budget requirements of the office of the Under Secretary for Intellectual Property Policy.

SEC. 152. RELATIONSHIP WITH EXISTING AUTHORITIES.

Nothing in section 151 shall derogate from the duties of the United States Trade Rep-

resentative as set forth in section 141 of the Trade Act of 1974 (19 U.S.C. 2171).

Page 48, insert the following after line 18:

“(B) An application that is in the process of being reviewed by the Atomic Energy Commission, the Department of Defense, or a defense agency pursuant to section 181 of this title shall not be published until the Director has been notified by the Atomic Energy Commission, the Secretary of Defense, or the chief officer of the defense agency, as the case may be, that in the opinion of the Atomic Energy Commission, the Secretary of Defense, or such chief officer, as the case may be, publication or disclosure of the invention by the granting of a patent would not be detrimental to the national security of the United States.”

Page 48, line 19, strike “(B)” and insert “(C)”.

Page 48, strike line 22 and all that follows through page 49, line 2, and insert the following:

“(D)(i) Upon the request at the time of filing by an applicant that is a small business concern or an independent inventor entitled to reduced fees under section 41(h)(1) of this title, the application shall not be published in accordance with paragraph (1) until 3 months after the Director makes a second notification to such applicant on the merits of the application under section 132 of this title. The Director may require applicants that no longer have the status of a small business concern or an independent inventor to so notify the Director not later than 15 months after the earliest filing date for which a benefit is sought under this title.

Page 49, line 7, strike “, 121.”

Page 49, insert after line 8 the following:

“(iii) Applications asserting the benefit of an earlier application under section 121 shall not be eligible for a request pursuant to this subparagraph unless filed within 2 months after the date on which the Director required the earlier application to be restricted to 1 of 2 or more inventions in the earlier application.

Page 49, line 9, strike “(iii)” and insert “(iv)”.

Page 49, line 13, strike “(iv)” and insert “(v)”.

Page 49, line 14, insert “nominal” before “fees”.

Page 49, line 16, strike “(D)” and insert “(E)”.

Page 49, line 17, strike “(C)” and insert “(D)”.

Page 50, line 2, strike “(C)” and insert “(D)”.

Page 50, after line 2, insert the following:

“(F) No fee established under this section shall be collected nor shall be available for spending without prior authorization in appropriations Acts.”

Page 58, strike lines 1 through 17 and insert the following:

(1) Section 135(b) of title 35, United States Code, is amended to read as follows:

“(b)(1) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may only be made in an application if—

“(A) such a claim is made prior to 1 year after the date on which the patent was granted; and

“(B) the applicant files evidence which demonstrates that the applicant is prima facie entitled to a judgment relative to the patent.

“(2)(A) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of a published application may only be made in an application filed after the date of publication of the published application if, except in a case to which subparagraph (B) applies—

“(i) such a claim is made prior to 1 year after the date of publication of the published application; and

“(ii) the applicant of the application filed after the date of publication of the published application files evidence that demonstrates that the applicant is prima facie entitled to a judgment relative to the published application.”

“(B) If the applicant of the application filed after the date of publication of the published application alleges that the invention claimed in the published application was derived from that applicant, such a claim may only be made if that applicant files evidence which demonstrates that the applicant is prima facie entitled to a judgment relative to the published application.”

Page 59, line 7, strike “appellate”.

Page 61, strike lines 5 through 9 and redesignate subclauses (III) through (V) as subclauses (II) through (IV), respectively.

Page 62, insert the following after line 6:

“(B) The period of extension of the term of a patent under clause (iv) of paragraph (1)(A), which is based on the failure of the Patent and Trademark Office to meet the criteria set forth in clause (v) of paragraph (1)(B), shall be reduced by the cumulative total of any periods of time that an applicant takes to respond in excess of 3 months after the date on which the Patent and Trademark Office makes any rejection, objection, argument, or other request.

Page 62, line 7, strike “(B)” and insert “(C)”.

Page 62, line 19, strike “(C)” and insert “(D)”.

Page 63, insert the following after line 4: Section 132 of title 35, United States Code, is amended—

(1) in the first sentence by striking “Whenever” and inserting “(a) Whenever”; and

(2) by adding at the end the following:

Page 63, strike lines 5 through 7 and insert the following:

“(b) The Director shall prescribe regulations to provide for the further limited examination of applications for patent at the request of the applicant.

Page 63, line 9, strike “reexamination” and insert “examination”.

Page 63, strike lines 11 and 12 and insert the following:

qualify for reduced fees under section 41(h)(1) of this title.”

Page 63, line 21, insert “secular or” after “succeeding”.

Page 64, lines 2 and 3, strike “an applicant who has been accorded the status of independent inventor under section 41(h)” and insert “applicants who are independent inventors entitled to reduced fees under section 41(h)(1)”.

Page 71, line 8, strike “**DEVELOPMENT**” and insert “promotion”.

Page 71, line 11, strike “**DEVELOPMENT**” and insert “**PROMOTION**”.

Page 71, in the item relating to section 58 in the matter after line 12, strike “developer” and insert “promoter”.

Page 71, line 15, strike “development” and insert “promotion”.

Page 71, lines 16 and 17, strike “developer” and insert “promoter”.

Page 71, line 17, strike “development” and inserting “promotion”.

Page 71, strike line 20 and all that follows through page 72, line 1, and insert the following: “partnership, corporation, or other entity who enters into a financial relationship or a contract”.

Page 72, line 22, strike “development” and insert “promotion”.

Pages 73 through 84, strike “invention developer” and “INVENTION DEVELOPER” each place it appears and insert “invention promoter” and “INVENTION PROMOTER”, respectively.

Pages 73 through 84, strike "invention development" and "INVENTION DEVELOPMENT" each place it appears and insert "invention promotion" and "INVENTION PROMOTION", respectively.

Page 74, line 1, strike "DEVELOPER" and insert "PROMOTER".

Page 74, line 22, strike "developer" and insert "invention promoter".

Page 77, line 1, strike "DEVELOPER'S" and insert "PROMOTER'S".

Page 81, line 7, strike "DEVELOPER" and insert "PROMOTER".

Page 81, line 16, strike "developer's" and insert "promoter's".

Page 83, lines 19 and 21, and page 84, line 2, strike "developers" and insert "promoters".

Page 84, lines 3 and 4, strike "developer" and insert "promoter".

Page 84, in the matter after line 19, strike "Development" and insert "Promotion".

Page 85, line 16, strike "Any" and insert "(a) REQUEST FOR REEXAMINATION.—".

Page 85, line 19, strike "or on the basis of" and all that follows through "invention" on line 21.

Page 86, line 2, strike "or the" and all that follows through line 4 and insert a period.

Page 86, line 7, strike the quotation marks and second period and insert the following: "If multiple requests for reexamination of a patent are filed, they shall be consolidated by the Office into a single reexamination, if a reexamination is ordered."

"(b) COLLECTION AND AVAILABILITY OF FEES.—No fee for reexamination shall be collected nor shall be available for spending without prior authorization in appropriations Acts."

Page 86, line 21, strike "or by the failure" and all that follows through line 24 and insert a period.

Page 89, line 8, insert before the quotation marks the following: "Special dispatch shall not be construed to limit the patent owner's ability to extend the time for taking action by payment of the fees set forth in section 41(a)(8) of this title."

Page 95, line 13, strike "6 months" and insert "1 year".

Page 95, line 15, insert "effective" after "such".

Page 95, line 25, strike "If" and insert "Subject to section 119(e)(3) of this title, if".

Page 98, line 2, strike "Section" and insert "(a) IN GENERAL.—Section".

Page 99, add the following after line 8:

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is 2 years after the date of the enactment of this Act and shall apply to applications for patent filed on or after such effective date.

SEC. 606. PUBLICATIONS.

Section 11 of title 35, United States Code, is amended by adding at the end the following:

"(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services, and all contracts entered into by the Office for goods or services."

Amend the table of contents accordingly.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 4. Page 20, line 3, insert the following after the period: "Of the members appointed by each appointing authority—

"(A) 1 shall be selected from among small business concerns entitled to reduced fees under section 141(h)(1) of title and individuals who are independent inventors entitled to reduced fees under such section;

"(B) 1 shall be selected from among patent attorneys; and

"(C) 1 shall be selected from among patent examiners.

Page 21, strike lines 10 through 15 and insert the following:

"(b) BASIS FOR APPOINTMENTS.—Members of the Advisory Board shall be citizens of the United States, and those appointed under subparagraphs (A) and (B) of subsection (a)(1) shall be chosen so as to represent the interests of diverse users of the United States Patent and Trademark Office.

Page 22, strike line 8 and insert the following:

"(f) COMPENSATION.—

"(1) IN GENERAL.—Subject to paragraph (2), members of the Advisory Board".

Page 22, insert the following after line 18:

"(2) FEDERAL EMPLOYEES.—Members of the Advisory Board who are appointed under subparagraph (C) of subsection (a)(1) shall receive no additional compensation by reason of their service on the Advisory Board.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 5. Page 48, insert the following after line 21:

"(C) An application filed by a small business concern entitled to reduced fees under section 41(h)(1) of this title, or by an individual who is an independent inventor entitled to reduced fees under such section shall not be published until a patent is issued thereon, except upon the request of the applicant.

Page 48, line 22, strike "(C)" and insert "(D)".

Page 49, line 16, strike "(D)" and insert "(E)".

Page 49, line 17, strike "(C)" and insert "(D)".

Page 50, line 2, strike "(C)" and insert "(D)".

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 6. Page 85, line 16, strike "at any time" and insert ", not later than 9 months after a patent is issued."

Page 85, line 17, strike "a" and insert "the".

Page 86, line 7, insert the following after the first period: "No person may file more than 1 request for reexamination with respect to the same patent."

Page 90, line 20, insert ", subject to the limitations on filing requests for reexamination set forth in section 302," after "not".

Page 92, line 10, strike the quotation marks and second period.

Page 92, insert the following after line 10:

"(c) LIMITATION ON FILING REQUESTS FOR REEXAMINATION.—Nothing in subsection (a) or (b) shall be construed to permit any person to file a request for reexamination of a patent more than 9 months after the patent is issued, or to file more than 1 request for reexamination of a patent as provided in section 302."

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 7. Page 99, add the following after line 8:

TITLE VII—PATENT TERM.

SEC. 701. PATENT TERMS.

(a) AMENDMENT TO TITLE 35, UNITED STATES CODE.—Effective on the date of the enactment of this Act, section 154 of title 35, United States Code, is amended—

(1) in paragraph (2) of subsection (a), by striking "and ending" and all that follows in that paragraph and inserting "and ending—

"(A) 17 years from the date of the grant of the patent, or

"(B) 20 years from the date on which the application for the patent was filed in the United States, except that if the application contains a specific reference to an earlier

filed application or applications under section 120, 121, or 365(c) of this title, 20 years from the date on which the earliest such patent application was filed,

whichever is later."; and

(2) in subsection (c)(1), by striking "shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant" and inserting "shall be the term provided in subsection (a)".

(b) TECHNICAL AMENDMENT.—Section 534(b) of the Uruguay Round Agreements Act is amended by striking paragraph (3).

H.R. 400

OFFERED BY: MR. HUNTER

AMENDMENT NO. 8. Page 99, insert the following after line 8 and redesignate the succeeding sections accordingly:

"SEC. 606. CRIMINAL INFRINGEMENT OF A PATENT.

"(a) ESTABLISHMENT OF OFFENSE.—

"(1) IN GENERAL.—Chapter 113 of title 18, United States Code, is amended by adding at the end of Section 2319 the following:

"Sec. 2319A. Criminal Infringement of a Patent

"(a) PROHIBITION.—Whoever,

"(1) willingly and intentionally uses, offers to sell, or sells any infringed patented invention, within the United States or imports into the United States any infringed patented invention during the term of the patent;

"(2) attempts to commit an offense under paragraph (1); or

"(3) is a party to a conspiracy of two or more persons to commit an offense under paragraph (1),

"(4) offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in violation of paragraph (1)

shall be punished as provided in subsection (b).

"(b) PUNISHMENT.—

"(1) IN GENERAL.—Whoever violates subsection (a) shall be punished as follows:

"(a) If the victim has five or more patents, the infringer shall be sentenced to one year imprisonment and fined one million dollars;

"(b) If the victim has four or fewer patents, the infringer shall be sentenced to three years imprisonment and fined three million dollars;

"(c) If the victim has one patent or has a patent pending that has been published, the infringer shall be sentenced to five years imprisonment and fined five million dollars and shall be assessed a 5% royalty which shall be payable to the victim of the infringement.

"(2) RESTITUTION.—In sentencing a defendant convicted of an offense under this section, the court may order the defendant to make restitution in accordance with section 3663.

"(C) DEFINITION.—In this section—

"(1) the term "patent" has the same meaning as in chapter 10 of title 35, United States Code; and

"(2) the term "victim" shall mean anyone who owns a patent or has a published pending patent application that has not been granted that is infringed in accordance with the above.

"(3) the term "infringement" has the same meaning as in chapter 28 of title 35 United States Code.

"(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

"2319. Criminal Infringement of a Patent.

"(b) RESTITUTION.—Section 3663 of title 18, United States Code, is amended by adding at the end the following:

"Criminal Infringement of a Patent.—

"(1) IN GENERAL.—In sentencing a defendant convicted of an offense under section 2319A, the court may order, in addition to any other penalty authorized that the defendant make restitution to any victim of the offense.

"(2) COST INCLUDED.—Making restitution to a victim under this subsection may include payment for any costs, including attorneys fees, incurred by the victim in connection with any civil or administrative proceeding arising as a result of the actions of the defendant."

H.R. 400,

OFFERED BY: MR. HUNTER

AMENDMENT NO. 9: Strike title V and insert the following:

"TITLE V—REEXAMINATION PROCEDURE
"SEC. 501. CONDUCT OF REEXAMINATION.

"Section 305 of title 35, United States Code, is amended in the first sentence by inserting before the period at the end the following: ', except that the primary examiner who issued the patent may not conduct the reexamination'.

"SEC. 502. EFFECTIVE DATE.

"The amendment made by this title shall take effect on the date that is 6 months after the date of the enactment of this Act and shall apply to all reexamination requests filed on or after such date."

Amend the table of contents accordingly.

H.R. 400,

OFFERED BY: MR. HUNTER

AMENDMENT NO. 10: Strike title I of the bill and insert the following:

"TITLE I—PATENT SOVEREIGNTY ACT

"SEC. 101. SHORT TITLE.

"This title may be cited as the 'Patent Sovereignty Act of 1997'.

"SEC. 102. FINDINGS.

"The Congress finds that—

"(1) the quality of United States letters patent is essential for preserving the technological lead and economic well-being of the United States in the next century;

"(2) the quality of United States letters patent is highly dependent upon the maintenance and the comprehensiveness of patent examiners' search files; and

"(3) the quality of United States letters patent is inextricably linked to the professionalism of patent examiners and the quality of the training of patent examiners."

"SEC. 103. SECURE PATENT EXAMINATION.

Section 3 of title 35, United States Code, is amended by adding at the end the following:

"(f) All examination and search duties for the grant of United States letters patent are sovereign functions which shall be performed within the United States by United States citizens who are employees of the United States Government."

"SEC. 104. MAINTENANCE OF EXAMINERS' SEARCH FILES.

Section 9 of title 35, United States Code, is amended—

(1) by striking "may revise and maintain" and inserting "shall maintain and revise"; and

(2) by adding at the end the following "United States letters patent, and all such other patents and printed publications shall be maintained in the examiners' search files under the United States Patent Classification System."

"SEC. 105. PATENT EXAMINER TRAINING.

(a) IN GENERAL.—Chapter 1 of title 35, United States Code, is amended by adding at the end the following new section:

"§ 15. Patent examiner training

"(a) IN GENERAL.—All patent examiners shall spend at least 5 percent of their duty time per annum in training to maintain and develop the legal and technological skills useful for patent examination.

"(b) TRAINERS OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent examiners who have not achieved the grade of primary examiner."

(b) CLERICAL AMENDMENT.—The table of contents for chapter 1 of title 35, United States Code, is amended by adding at the end the following:

"15. Patent examiner training."

"SEC. 106. ADMINISTRATIVE MATTERS.

(a) LIMITATIONS ON PERSONNEL.—Section 3(a) of title 35, United States Code, is amended by adding at the end the following: "The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation."

(b) RETENTION OF FEES.—(1) Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after the item relating to the National Credit Union Administration, credit union share insurance fund, the following new item:

"Patent and Trademark Office".

(2) Section 10101(b)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking ", to the extent provided in appropriation Acts," and inserting "without appropriation".

(3) Section 42(c) of title 35, United States Code, is amended by amending by striking first sentence and inserting the following: "Revenue from fees shall be available to the Commissioner to carry out the activities of the Patent and Trademark Office, in such allocations as are approved by Act of Congress. Such revenues shall not be made available for any purpose other than that authorized for the Patent and Trademark Office."

(c) USE OF FEES.—Section 42(c) of title 35, United States Code, is amended by adding at the end the following: "All patent application fees collected under paragraphs (1), (3)(A), (3)(B), and (4) through (8) of section 41(a), and all other fees collected under section 41 for services or the extension of services to be provided by patent examiners shall be used only for the pay and training of patent examiners."

(d) PUBLICATIONS.—Section 11 of title 35, United States Code, is amended by adding at the end the following:

"(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services, and all contracts for goods or services entered into by the Office.

"(d) Notice of a proposal to change United States patent law that will be made on behalf of the United States to a foreign country or international body shall be published in the Federal Register before, or at the same time as, the proposal is transmitted."

"SEC. 107. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect 30 days after the date of the enactment of this Act.

In the table of contents, strike all items relating to title I and insert the following:

TITLE I—PATENT SOVEREIGNTY ACT

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Secure patent examination.

Sec. 104. Maintenance of examiners' search files.

Sec. 105. Patent examiner training.

Sec. 106. Administrative matters.

Sec. 107. Effective date.

H.R. 400

OFFERED BY: MR. ROHRBACHER

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 11: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Patent Rights and Sovereignty Act of 1997".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the right of an inventor to secure a patent is assured through the authorization powers of the Congress contained in Article I, section 8 of the Constitution, has been consistently upheld by the Congress, and has been the stimulus to the unique technological innovativeness of the United States;

(2) the right must be assured for a guaranteed length of time in the term of the issued patent and be further secured by maintaining absolute confidentiality of all patent application data until the patent is granted if the applicant is timely prosecuting the patent;

(3) the quality of United States patents is also an essential stimulus for preserving the technological lead and economic well-being of the United States in the next century;

(4) the process of examining and issuing patents is an inherently governmental function that must be performed by Federal employees acting in their quasi-judicial roles under regular executive and legislative oversight; and

(5) the quality of United States patents is inextricably linked to the professionalism of patent examiners and the quality of the training of patent examiners as well as to the resources supplied to the Patent and Trademark Office in the way of adequate manpower, appropriately maintained search files, and other needed professional tools.

SEC. 3. SECURE PATENT EXAMINATION.

Section 3 of title 35, United States Code, is amended by adding at the end thereof the following:

"(f) All examination and search duties for the grant of United States patents are sovereign functions which shall be performed within the United States by United States citizens who are employees of the United States Government."

SEC. 4. MAINTENANCE OF EXAMINERS' SEARCH FILES.

Section 9 of title 35, United States Code, is amended—

(1) by striking "may revise and maintain" and inserting "shall maintain and revise"; and

(2) by adding at the end thereof the following: "United States patents, and all such other patents and printed publications shall be maintained in the examiners' search files under the United States Patent Classification System."

SEC. 5. PATENT EXAMINER TRAINING.

(a) IN GENERAL.—Chapter 1 of title 35, United States Code, is amended by adding at the end the following new section:

"§ 15. Patent examiner training

"(a) IN GENERAL.—All patent examiners shall spend at least 5 percent of their duty time per annum in training to maintain and develop the legal and technological skills useful for patent examination.

"(b) TRAINERS OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent examiners of the primary examiner grade or

higher who are eligible for retirement, for the sole purpose of training patent examiners who have not achieved the grade of primary examiner."

(b) CONFORMING AMENDMENT.—The table of sections for chapter 1 is amended by adding at the end the following:

"15. Patent examiner training."

SEC. 6. ADMINISTRATIVE MATTERS.

(a) LIMITATIONS ON PERSONNEL.—Section 3(a) of title 35, United States Code, is amended by adding at the end thereof the following: "The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation."

(b) RETENTION OF FEES.—(1) Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after the item relating to the National Credit Union Administration, credit union share insurance fund, the following new item:

"Patent and Trademark Office".

(2) Section 10101(b)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking " , to the extent provided in appropriation Acts," and inserting "without appropriation".

(3) Section 42(c) of title 35, United States Code, is amended by striking the first sentence and inserting the following: "Revenues from fees shall be available to the Commissioner to carry out the activities of the Patent and Trademark Office, in such allocations as are approved by Act of Congress. Such revenues shall not be made available for any purpose other than that authorized for the Patent and Trademark Office."

(c) USE OF FEES.—Section 42(c) of title 35, United States Code, is amended by adding at the end thereof the following: "All patent application fees collected under paragraphs (1), (3)(A), (3)(B), and (4) through (8) of section 41(a), and all other fees collected under section 41 for services or the extension of services to be provided by patent examiners shall be used only for the pay and training of patent examiners."

(d) PUBLICATIONS.—Section 11 of title 35, United States Code, is amended by adding at the end thereof the following:

"(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services and all contracts for goods or services entered into by the Office.

"(d) Notice of a proposal to change United States patent law that will be made on behalf of the United States to a foreign country or international body shall be published in the Federal Register before, or at the same time as, the proposal is transmitted."

SEC. 7. GAO STUDY AND REPORT.

(a) IN GENERAL.—The Comptroller General shall conduct a study of—

(1) the total number of patents applied for, issued, abandoned, and pending in the period of the study;

(2) the classification of the applicants for patents in terms of the country they are a citizen of and whether they are an individual inventor, small entity, or other;

(3) the pendency time for applications for patents and such other time and tracking data as may indicate the effectiveness of the amendments made by this Act;

(4) the number of applicants for patents who also file for a patent in a foreign country, the number of foreign countries in which such filings occur and which publish data from patent applications in English and make it available to citizens of the United States through governmental or commercial sources;

(5) a summary of the fees collected by the Patent and Trademark Office for services related to patents and a comparison of such fees with the fully allocated costs of providing such services; and

(6) recommendations regarding—

(A) a revision of the organization of the Patent and Trademark Office with respect to its patent functions, and

(B) improved operating procedures in carrying out such functions,

and a cost analysis of the fees for such procedures and the impact of the fees.

(b) ADDITIONAL STUDY MATTER.—The Committees on Appropriations, Judiciary, and Small Business of the House of Representatives and the Senate may, no later than 12 months after the beginning of the study under subsection (a), direct the Comptroller General to include other matters relating to patents and the Patent and Trademark Office in the study conducted under subsection (a).

(c) REPORT.—Upon the expiration of 36 months after the beginning of the study under subsection (a), the Comptroller General shall report the results of the study to the Congress.

SEC. 8. PATENT TERMS.

(a) AMENDMENT OF TITLE.—Effective on the date of the enactment of this Act, section 154 of title 35, United States Code, as amended by the Uruguay Round Agreements Act, is amended—

(1) in paragraph (2) of subsection (a), by striking "and ending" and all that follows in that paragraph and inserting "and ending—

"(A) 17 years from the date of the grant of the patent, or

"(B) 20 years from the date on which the application for the patent was filed in the United States, except that if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, 20 years from the date on which the earliest such patent application was filed, whichever is later."

(2) in subsection (c)(1), by striking "shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant" and inserting "shall be the term provided in subsection (a)".

(b) TECHNICAL AMENDMENT.—Section 534(b) of the Uruguay Round Agreements Act is amended by striking paragraph (3).

SEC. 9. DEFINITION OF SPECIAL CIRCUMSTANCES TO PROTECT THE CONFIDENTIALITY STATUS OF APPLICATIONS.

Section 122 of title 35, United States Code, is amended by striking "as may be determined by the Commissioner" and inserting "as in any of the following:

"(1) In the case of an application under section 111(a) for a patent for an invention for which the applicant intends to file or has filed an application for a patent in a foreign country, the Commissioner may publish, at the discretion of the Commissioner and by means determined suitable for the purpose, no more than that data from such application under section 111(a) which will be made or has been made public in such foreign country. Such a publication shall be made only after the date of the publication in such foreign country and shall be made only if the data is not available, or cannot be made readily available, in the English language through commercial services.

"(2)(A) If the Commissioner determines that a patent application which is filed after the date of the enactment of this paragraph—

"(i) has been pending more than 5 years from the effective filing date of the application,

"(ii) has not been previously published by the Patent and Trademark Office,

"(iii) is not under any appellate review by the Board of Patent Appeals and Interferences,

"(iv) is not under interference proceedings in accordance with section 135(a),

"(v) is not under any secrecy order pursuant to section 181,

"(vi) is not being diligently pursued by the applicant in accordance with this title, and

"(vii) is not in abandonment,

the Commissioner shall notify the applicant of such determination.

"(B) An applicant which received notice of a determination described in subparagraph (A) may, within 30 days of receiving such notice, petition the Commissioner to review the determination to verify that subclauses (i) through (vii) are all applicable to the applicant's application. If the applicant makes such a petition, the Commissioner shall not publish the applicant's application before the Commissioner's review of the petition is completed. If the applicant does not submit a petition, the Commissioner may publish the applicant's application no earlier than 90 days after giving such a notice.

"(3) If after the date of the enactment of this paragraph a continuing application has been filed more than 6 months after the date of the initial filing of an application, the Commissioner shall notify the applicant under such application. The Commissioner shall establish a procedure for an applicant which receives such a notice to demonstrate that the purpose of the continuing application was for reasons other than to achieve a delay in the time of publication of the application. If the Commissioner agrees with such a demonstration by the applicant, the Commissioner shall not publish the applicant's application. If the Commissioner does not agree with such a demonstration by the applicant or if the applicant does not make an attempt at such a demonstration within a reasonable period of time as determined by the Commissioner, the Commissioner shall publish the applicant's application.

The Commissioner shall ensure that publications under paragraph (1), (2), or (3) will not result in third-party pre-issuance oppositions which will delay or interfere with the issuance of the patents whose applications' data will be published."

SEC. 10. INVENTION DEVELOPMENT SERVICES.

(a) INVENTION DEVELOPMENT SERVICES.—Part I of title 35, United States Code, is amended by adding after chapter 4 the following new chapter:

"CHAPTER 5—INVENTION DEVELOPMENT SERVICES

"Sec.

"51. Definitions.

"52. Contracting requirements.

"53. Standard provisions for cover notice.

"54. Reports to customer required.

"55. Mandatory contract terms.

"56. Remedies.

"57. Records of complaints.

"58. Fraudulent representation by an invention developer.

"59. Rule of construction.

"§51. Definitions

"For purposes of this chapter—

"(1) the term 'contract for invention development services' means a contract by which an invention developer undertakes invention development services for a customer;

"(2) the term 'customer' means any person, firm, partnership, corporation, or other entity who is solicited by, seeks the services of, or enters into 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; or

“(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 Patent and Trademark Office; and

“(4) the term ‘invention development 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, licensing, selling, or promoting the invention or a product or service in which the invention is incorporated or used, except that the display only of an invention at a trade show or exhibit shall not be considered to be invention development services.

“§52. Contracting requirements

“(a) IN GENERAL.—(1) Every contract for invention development 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, such party shall be considered a customer for purposes of this chapter.

“(b) REQUIREMENTS OF INVENTION DEVELOPER.—The invention developer shall—

“(1) state in a written document, at the time a customer enters into a contract for invention development services, whether the usual business practice of the invention developer 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 1 or 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 developer, including—

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

“(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 developer.

“(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 development services by sending a written letter to the invention developer 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 developer 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 developer or to a third party for the benefit of the invention developer, without regard to the date or dates appearing in such instrument, shall be deemed payment received by the invention developer on the date received for purposes of this section.

“§53. Standard provisions for cover notice

“(a) CONTENTS.—Every contract for invention development services shall have a conspicuous and legible cover sheet attached with 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 DEVELOPER FOR COMMERCIAL POTENTIAL IN THE PAST FIVE (5) YEARS IS _____. OF THAT NUMBER, _____ RECEIVED POSITIVE EVALUATIONS AND _____ RECEIVED NEGATIVE EVALUATIONS.

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

“‘THE TOTAL NUMBER OF CUSTOMERS WHO HAVE CONTRACTED WITH THE INVENTION DEVELOPER IN THE PAST FIVE (5) YEARS IS _____. THE TOTAL NUMBER OF CUSTOMERS KNOWN BY THIS INVENTION DEVELOPER TO HAVE RECEIVED, BY VIRTUE OF THIS INVENTION DEVELOPER'S PERFORMANCE, AN AMOUNT OF MONEY IN EXCESS OF THE AMOUNT PAID BY THE CUSTOMER TO THIS INVENTION DEVELOPER IS _____.

“‘THE OFFICERS OF THIS INVENTION DEVELOPER HAVE COLLECTIVELY OR INDIVIDUALLY BEEN AFFILIATED IN THE LAST TEN (10) YEARS WITH THE FOLLOWING INVENTION DEVELOPMENT COMPANIES: (LIST THE NAMES AND ADDRESSES OF ALL PREVIOUS INVENTION DEVELOPMENT COMPANIES WITH WHICH THE PRINCIPAL OFFICERS HAVE BEEN AFFILIATED AS OWNERS, AGENTS, OR EMPLOYEES). YOU ARE ENCOURAGED TO CHECK WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THE FEDERAL TRADE COMMISSION, YOUR STATE ATTORNEY GENERAL'S OFFICE, AND THE BETTER BUSINESS BUREAU FOR ANY COMPLAINTS FILED AGAINST ANY OF THESE COMPANIES.

“‘YOU ARE ENCOURAGED TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING BEFORE SIGNING THIS CONTRACT. BY PROCEEDING WITHOUT THE ADVICE OF AN ATTORNEY REGISTERED TO PRACTICE BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, YOU COULD LOSE ANY RIGHTS YOU MIGHT HAVE IN YOUR IDEA OR INVENTION.’

“(b) OTHER REQUIREMENTS FOR COVER NOTICE.—The cover notice shall contain the items required under subsection (a) and the name, primary office address, and local office address of the invention developer, and may contain no other matter.

“(c) DISCLOSURE OF CERTAIN CUSTOMERS NOT REQUIRED.—The requirement in the no-

tice set forth in subsection (a) to include the ‘TOTAL NUMBER OF CUSTOMERS WHO HAVE CONTRACTED WITH THE INVENTION DEVELOPER IN THE PAST FIVE (5) YEARS’ need not include information with respect to customers who have purchased trade show services, research, advertising, or other nonmarketing services from the invention developer, nor with respect to customers who have defaulted in their payments to the invention developer.

“§54. Reports to customer required

“With respect to every contract for invention development services, the invention developer 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 performed to the date of the report and of the services yet to be performed and names of all persons who it is known will perform the services; and

“(2) the name and address of each person, firm, corporation, or other entity to whom the subject matter of the contract has been disclosed, the reason for each such disclosure, 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 development 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 a payment to the invention developer;

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

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

“(5) the full name and principal place of business of the invention developer 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 developer undertakes to perform for the customer;

“(6) if any oral or written representation of estimated or projected customer earnings is given by the invention developer (or any agent, employee, officer, director, partner, or independent contractor of such invention developer), a statement of that estimation or projection and a description of the data upon which such representation is based;

“(7) the name and address of the custodian of all records and correspondence relating to the contracted for invention development services, and a statement that the invention developer is required to maintain all records and correspondence relating to performance of the invention development services for such customer for a period of not less than 2 years after expiration of the term of such contract; and

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

“(b) INVENTION DEVELOPER AS FIDUCIARY.—To the extent that the description of the specific acts or services affords discretion to the invention developer with respect to what

specific acts or services shall be performed, the invention developer 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 developer's premises during normal business hours.

“§ 56. Remedies

“(a) IN GENERAL.—

“(1) VOIDABLE CONTRACT.—Any contract for invention development services entered into not comply with the applicable provisions of this chapter shall be voidable at the option of the customer.

“(2) RELIANCE ON FALSE, FRAUDULENT, OR MISLEADING INFORMATION.—Any contract for invention development services entered into in reliance upon any material false, fraudulent, or misleading information, representation, notice, or advertisement of the invention developer (or any agent, employee, officer, director, partner, or independent contractor of such invention developer) shall be voidable at the option of the customer.

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

“(4) ACTION BY DEVELOPER.—Any contract for invention development services which provides for filing for and obtaining utility, design, or plant patent protection shall be voidable at the option of the customer unless the invention developer offers to perform or performs such act through a person duly registered to practice before, and in good standing with, the Patent and Trademark Office.

“(b) CIVIL ACTION.—

“(1) IN GENERAL.—Any customer who is injured by a violation of this chapter by an invention developer or by any material false or fraudulent statement or representation, or any omission of material fact, by an invention developer (or any agent, employee, director, officer, partner, or independent contractor of such invention developer) or by failure of an invention developer to make all the disclosures required under this chapter, may recover in a civil action against the invention developer (or the officers, directors, or partners of such invention developer) 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) DAMAGE INCREASE.—Notwithstanding paragraph (1), the court may increase damages to not more than 3 times the amount awarded.

“(c) REBUTTABLE PRESUMPTION OF INJURY.—For purposes of this section, substantial violation of any provision of this chapter by an invention developer or execution by the customer of a contract for invention development 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 shall make all complaints received by the United States Patent and Trademark Office involving invention developers publicly available, together with any response of the invention developers.

“(b) REQUEST FOR COMPLAINTS.—The Director may request complaints relating to invention development 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 developers.

“§ 58. Fraudulent representation by an invention developer

“Whoever, in providing invention development 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.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of chapters for part I of title 35, United States Code, is amended by adding after the item relating to chapter 4 the following:

“5. Invention Development Services ... 51”. SEC. 11. PROVISIONAL APPLICATIONS, PLANT BREEDER'S RIGHTS, DIVISIONAL 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 Director, a provisional application may be treated as an application filed under subsection (a). If no such request is made, the provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any provisional application filed on or after June 8, 1995.

(c) INTERNATIONAL APPLICATIONS.—Section 119 of title 35, United States Code, is amended—

(1) in subsection (a), by inserting “or in a WTO member country” after “the United States” the first place it appears; and

(2) by adding at the end the following new subsections:

“(f) APPLICATIONS FOR PLANT BREEDER'S RIGHTS.—Applications for plant breeder's rights filed in a WTO member country (or in a UPOV Contracting Party) shall have the same effect for the purpose of the right of priority under subsections (a) through (c) of this section as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents.

“(g) DEFINITIONS.—As used in this section—

“(1) the term ‘WTO member country’ has the same meaning as the term is defined in section 104(b)(2) of this title; and

“(2) the term ‘UPOV Contracting Party’ means a member of the International Convention for the Protection of New Varieties of Plants.”.

(d) PLANT PATENTS.—

(1) TUBER PROPAGATED PLANTS.—Section 161 of title 35, United States Code, is amended by striking “a tuber propagated plant or”.

(2) RIGHTS IN PLANT PATENTS.—The text of section 163 of title 35, United States Code, is amended to read as follows: “In the case of a plant patent, the grant shall include the right to exclude others from asexually reproducing the plant, and from using, offering for sale, or selling the plant so reproduced, or any of its parts, throughout the United States, or from importing the plant so reproduced, or any parts thereof, into the United States.”.

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply on the date of the enactment of this Act. The amendment made by paragraph (2) shall apply to any plant patent issued on or after the date of the enactment of this Act.

(e) ELECTRONIC FILING.—Section 22 of title 35, United States Code, is amended by striking “printed or typewritten” and inserting “printed, typewritten, or on an electronic medium”.

(f) DIVISIONAL APPLICATIONS.—Section 121 of title 35, United States Code, is amended—

(1) in the first sentence by striking “If” and inserting “(a) If”; and

(2) by adding at the end the following new subsections:

“(b) In a case in which restriction is required on the ground that two or more independent and distinct inventions are claimed in an application, the applicant shall be entitled to submit an examination fee and request examination for each independent and distinct invention in excess of one. The examination fee shall be equal to the filing fee, including excess claims fees, that would have applied had the claims corresponding to the asserted independent and distinct inventions been presented in a separate application for patent. For each of the independent and distinct inventions in excess of one for which the applicant pays an examination fee within two months after the requirement for restriction, the Director shall cause an examination to be made and a notification of rejection or written notice of allowance provided to the applicant within the time period specified in section 154(b)(1)(B)(i) of this title for the original application. Failure to meet this or any other time limit set forth in section 154(b)(1)(B) of this title shall be treated as an unusual administrative delay under section 154(b)(1)(A)(iv) of this title.

“(c) An applicant who requests reconsideration of a requirement for restriction under this section and submits examination fees pursuant to such requirement shall, if the requirement is determined to be improper, be entitled to a refund of any examination fees determined to have been paid pursuant to the requirement.”.

SEC. 12. PROVISIONAL RIGHTS.

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

(1) in the section caption by inserting “; provisional rights” after “patent”; and

(2) by adding at the end the following new subsection:

“(d) PROVISIONAL RIGHTS.—

“(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 the voluntary disclosure provisions of section 122 or the publication provisions of section 122(1) or 122(2) of this title, or in the case of an international application filed under the treaty defined in section 351(a) of this title 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)(i) 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

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

“(B) had actual notice of the published patent application and, where the right arising under this paragraph is based upon an international application designating the United States that is published 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 as claimed in the 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.—The right under paragraph (1) to obtain a reasonable royalty based upon the publication under the treaty defined in section 351(a) of this title of an international application designating the United States shall commence from the date that the Patent and Trademark Office receives a copy of the publication under such treaty of the international application, or, if the publication under the treaty of the international application is in a language other than Eng-

lish, from the date that the Patent and Trademark Office receives a translation of the international application in the English language. The Director may require the applicant to provide a copy of the international publication of the international application and a translation thereof.”.

SEC. 13. EFFECTIVE DATE.

Except as otherwise provided, this Act and the amendments made by this Act shall take effect 60 days after the date of the enactment of this Act.