had been a real threat of terror in those instances, the areas of vulnerability would have translated to disaster. This area of the assessment of threat and vulnerability will be best served by the provision that requires the Attorney General, in consultation with the Federal Judicial Center, to submit a report to the House and Senate Committees on the Judiciary as to the success and effectiveness of the SJI.

Furthermore, the authorization of the Institute to procure goods and services from the General Services Administration (GSA) will be a boon to those administrative areas that are antiquated and non-functioning for want of new equipment and resources. Should this bill pass, I would look forward to conducting a full assessment of need in Houston and make these GSA resources available as soon as possible.

Therefore, Mr. Speaker, for the above reasons, I support H.R. 2714 and I urge my colleagues to do the same.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 2714, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COOPERATIVE RESEARCH AND TECHNOLOGY ENHANCEMENT (CREATE) ACT OF 2004

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2391) to amend title 35, United States Code, to promote research among universities, the public sector, and private enterprise, as amended.

The Clerk read as follows:

H.R. 2391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Cooperative Research and Technology Enhancement (CREATE) Act of 2004''.

SEC. 2. COLLABORATIVE EFFORTS ON CLAIMED INVENTIONS.

Section 103(c) of title 35, United States Code, is amended to read as follows:

''(c)(1) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

''(2) For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if—

''(A) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made;

''(B) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

''(C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

''(3) For purposes of paragraph (2), the term 'joint research agreement' means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.''.

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall apply to any patent granted on or after the date of the enactment of this Act.

(b) SPECIAL RULE.—The amendments made by this Act shall not affect any final decision of a court or the United States Patent and Trademark Office rendered before the date of the enactment of this Act, and shall not affect the right of any party in any action pending before the United States Patent and Trademark Office or a court on the date of the enactment of this Act to have that party's rights determined on the basis of the provisions of title 35, United States Code, in effect on the day before the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. BERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2391, the bill currently under consideration.

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

There was no objection.

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

Mr. Speaker, H.R. 2391 will help spur the development of new technologies by making it easier for collaborative inventors who represent more than one organization to obtain the protection of the U.S. patent system for their inventions.

The bill achieves this goal by limiting the circumstances in which confidential information which is voluntarily exchanged by individual research team members may be asserted to bar the patenting of the team's new inventions.

Today, intellectual property-reliant industries, such as pharmaceuticals, biotechnology and nanotechnology, serve as key catalysts to the U.S. economy, employing tens of thousands of Americans. More often than not, the innovations they develop are not done solely by researchers in-house, but rather, in concert with other researchers who may be located at universities, nonprofit institutions, and other private enterprises.

Carl E. Gulbrandsen, the managing director of the Wisconsin Research Alumni Research Foundation, provided an assessment of the value of university research contributions when he testified before the Subcommittee on Intellectual Property last Congress that, ''In 2000, nonprofits and universities spent a record of $28.1 billion on research and development, much of which involved collaborations among private, public, and nonprofit entities.''

Sales of products developed from inventions transferred from those research centers resulted in revenues that approached $42 billion that year, a portion of which was then reinvested into additional research. As significant as this research activity is, the tangible benefits of its application are also worth noting. Inventions such as the MRI and the sequencing of human genome technology were both made possible through collaborative research.

In 1984, Congress acted to incentivize innovation by encouraging researchers within organizations to share information. That year, Congress amended the patent law to restrict the use of background scientific or technical information shared among researchers in an effort to deny a patent in instances where the subject matter and the claimed invention were under common ownership or control.

This bill will provide a similar statutory ''safe harbor'' for inventions that result from collaborative activities of private, public and nonprofit entities. In doing so, the bill responds to the 1997 OddzON Products, Inc. v. Just Toys, Inc., decision of the Federal Circuit Court of Appeals by clarifying that prior inventions of team members will not serve as an absolute bar of the patenting of the team's new invention when the parties conduct themselves in accordance with the terms of the bill.

In the future, research collaborations between academia and industry will be even more critical to the efforts of U.S. industry to maintain our technological preeminence. By enacting this bill, Congress will help foster improved communication between researchers, provide additional certainty and structure for those who engage in collaborative research, reduce patent litigation incentives, and facilitate innovation and investment.

Mr. Speaker, the Committee on the Judiciary unanimously approved H.R. 2391 on January 21, 2004. I understand that the Congressional Budget Office considers the bill to have an insignificant effect on the U.S. Patent and Trademark Office's spending, and has found that the bill contains no intergovernmental or private sector mandates.

The bill itself is a product of the collaborative efforts of a number of individuals and leading professional patent and research organizations. Among those who contributed substantially to the development of the bill are the USPTO, the Wisconsin Alumni Research Foundation, the American Council on Education, the American University Technology Managers, the Biotechnology Industry Organization,

and the American Intellectual Property Law Association.

Mr. Speaker, the bill is necessary to ensure that tomorrow's collaborative researchers enjoy a full measure of the benefits of the patent law. I urge Members to support the bill.

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

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

Mr. Speaker, I rise in support of H.R. 2391, the CREATE Act, and ask my colleagues to support it as well. The CREATE Act is a rare legislative achievement: It is a truly noncontroversial patent bill. It has achieved this unique status because it is the product of exhaustive discussion, negotiation, and redrafting at both the intellectual property subcommittee and the full Committee on the Judiciary levels.

The CREATE Act effectively overturns the Federal court's decision in OddzON Products v. Just Toys. The OddzON decision held that certain prior art can be used to dismiss a patent application as obvious, one cannot patent the obvious, even if that prior art was confidential, shared among consenting parties or undocumented.

In layman's terms, the OddzON decision means that research collaborations between different institutions may preclude patents arising from that joint research. As a result of its holding, the OddzON decision threatens to chill informal inter-institutional research collaborations. These are just the sort of research collaborations that are increasingly important in today's complex resource constrained research environment. Even more troubling, these sorts of research collaborations disproportionately involve research universities and nonprofit institutions which do not have the same flexibility as private institutions to engage in other research arrangements.

Research collaborations contribute greatly to the U.S. economy. More importantly, they may be the key to curing many life-threatening diseases. Research collaborations are an important part of the technology transfer between universities, nonprofit institutions, and private companies that result in an estimated $40 billion of economic activity each year and support some 270,000 jobs.

Similarly collaborations between Federal laboratories and other entities have resulted in an estimated 5,000 research agreements signed since 1986.

There is no question that Congress should foster an environment in which researchers have the freedom, opportunity and incentive to collaboratively develop inventions and new ideas. By overturning the OddzON decision, the CREATE Act will remove a substantial roadblock to achieving this goal.

The CREATE Act underwent substantial revisions to adjust relevant concerns. The version before us today constitutes a real improvement over H.R. 2391 as introduced. It has the support of the university community, the patent bar, the biotech industry, patent holders, and all other interested parties of which I am aware, and I want to express my appreciation to the gentleman from Texas (Chairman SMITH) for working so closely with us in drafting and redrafting the CREATE Act. I ask my colleagues to vote in favor of this important bill.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Speaker, the CREATE Act, which I introduced along with the gentleman from California (Mr. BERMAN), allows researchers and inventors who work for different organizations and collaborate on inventions to share information without losing the ability to file for a patent.

This legislation removes roadblocks to the patenting of collaborative inventions. It empowers researchers to choose to collaborate when it is in their interest, and to compete for inventions when it is not.

Under current law, individuals who did not work on an invention or project can challenge patent applications. This leads to invalidated patents which harms our economy and the inventors, researchers and entrepreneurs who want to create new products.

Today's biotech, pharmaceutical, and nanotechnology companies conduct much of their research with partners such as universities and other public or private organizations.

In fact, the University of Texas ranks fourth on the list of universities that receive the most patents. Many of these patents result from working with the private sector on research.

America's universities, private companies, public organizations and nonprofit institutions all have a stake in ensuring the U.S. patent system rewards rather than inhibits their innovations, from life-saving therapies to fuel cells.

Yesterday, my subcommittee received a letter from the Biotechnology Industry Organization, which supports this legislation. The organization stated, ''The majority of our members routinely engage in collaborative research. We believe that encouraging this type of research will greatly enhance the ability of the biotechnology industry to develop life-saving and life-enhancing products.''

The CREATE Act: (1) Promotes communication among team researchers located at multiple organizations; (2) discourages those who would use the discovery process to impede coinventors who voluntarily collaborated on research resulting in patentable inventions; (3) increases public knowledge; and (4) accelerates the commercial availability of new inventions.

The CREATE Act benefits all industries that engage in collaborative and cooperative research involving more than one organization. The classic example is biotechnology, since it has a culture and a business model that is multi-disciplinary.

When a biotechnology company decides to partner with a university, we want to prevent that partnership from being harassed by a third party. Biotech investment dollars dedicated to research should and must be used in an effective way without the possibility of a lawsuit or a grievance filed against it.

The CREATE Act was inspired by two principles essential to a democracy: The protection of intellectual property rights and the freedom to exchange goods and services.

Research collaborations are essential to the discovery of new inventions, the creation of new jobs, and the health of the U.S. economy. Protecting them will provide greater incentives to develop new technologies.

Mr. BERMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, cooperative research among private, public, and nonprofit entities has become a common feature of modern research and development. Many technology start-ups in my home in Silicon Valley rely on university-based researchers to support their basic R&D programs, and the result of these collaborations benefit both the economy and consumers.

However, as has been mentioned by other Members, since the Federal Circuit decision in OddzON Products v. Just Toys, collaboration has become too risky. The OddzON decision created an environment where an otherwise patentable invention can be rendered nonpatentable on the basis of information routinely exchanged between research partners.

Collaborative research is absolutely vital to our economy. A 1988 report by the National Science Foundation found that nonprofits and universities spent a record $23.8 billion on research and development, the majority of which came from collaborations. Congress needs to act to ensure that our patent laws provide the proper incentives for private, public, and nonprofit entities to work together to make all our futures brighter, and I am happy to say that the CREATE Act that is before us today does that.

Mr. Speaker, I would like to thank the gentleman from Texas (Mr. SMITH) and the gentleman from California (Mr. BERMAN), the ranking member, for their hard work on this bill. I support it, and I urge all Members to support it as well.

□ 1215

We often come on the House floor and engage in debates on things that divide us which, when all is said and done, will not necessarily be very important to the American economy or the American public.

This is an item that may be a little bit of a sleeper. I do not see a cast of

thousands here on the House floor, and yet passing this bill will be very important for the economy of our Nation and for the advance of science, and it is something we can do together proudly and serve our country quite well. I am happy to be involved in this effort.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 2391, the Cooperative Research and Technology Enhancement (CREATE) Act introduced on June 9, 2003. We held a markup hearing for this legislation in January of this year, and I offered my support at that time. To spur innovation and accelerate new technologies, this bill encourages cooperative research efforts that involve the private sector, universities, non-profit institutions and public entities. In a recent decision (*Oddzon Products, Inc.*, v. *Just Toys, Inc., et al.*, 122 F.3d 1396, 43 U.S.P.Q.2d 1641 (Fed. Cir. 1997), or Oddzon), the Federal Circuit Court of Appeals narrowed the scope of a 1984 law that promoted collaborative research. I support H.R. 2391 because it will only result in the overall improvement of the quality of research that is done by collaborating members of the academic community in the areas of science, art and information resourcing.

In Oddzon, the Federal Circuit found that in the case of an inventive collaboration involving researchers from multiple organization, the novelty (§ 102) and non-obvious (§ 103) requirements of the Patent Act could be read to cover prior art so as to invalidate a patent. The court wrote:

> The statutory language provides a clear statement that subject matter that qualifies as prior art under subsection (f) or (g) cannot be combined with other prior art to render a claimed invention obvious and hence inpatentable when the relevant prior art is commonly owned with the claimed invention at the time the invention was made. While the statute does not expressly state . . . that § 102(f) creates a type of prior art for purposes of § 103, nonetheless that conclusion is inescapable; the language that states that § 102(f) subject matter is not prior art under limited circumstances clearly implies that it is prior art otherwise.

In making this ruling, the court states ''[t]here is no clearly apparent purpose in Congress's inclusion of § 102(f) in the amendment other than an attempt to ameliorate the problems of patenting the results of team research.'' Finally, the court added ''while there is a basis for an opposite conclusion, principally based on the fact that § 102(f) does not refer to public activity, as do the other provisions that clearly define prior art, nonetheless we cannot escape the import of the 1984 amendment.'' The holding creates a significant problem due to the way that most public-private sector research and development projects are structured. Since the early 1980s, universities, States and the Federal Government have become much more adept at generating licensing revenue from intellectual property developed by their faculty, staff and students. Many States and the Federal Government now operate under laws and practices under which they cannot or will not assign their rights to inventions to a private-sector collaborative partner. Typically, the university, State or Federal Government retains sole ownership of the invention, while the invention is licensed for commercial exploitation to their research partner.

The Oddzon decision has created a situation where an otherwise patentable invention may be rendered nonpatentable on the basis of information routinely exchanged between research partners. Thus, parties who enter into a clearly defined and structured research relationship, but who do not or cannot elect to define a common ownership interest in or a common assignment of the inventions they jointly develop, can create obstacles to obtaining patent protection by simply exchanging information among them. There is no requirement that the information be publicly disclosed or commonly known; all that is required is that the collaborators exchange the information.

The CREATE Act's purposes are to promote communication among team researchers from multiple organizations, to discourage those who would use the discovery process to harass co-inventors who voluntarily collaborated on research, to increase public knowledge and to accelerate the commercial availability of new inventions. Overall, this bill will serve to create a more technology-friendly environment and encourage continued collaboration and innovation.

Mr. Speaker, I support this bill and hope that my colleagues will do the same.

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

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

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 2391, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: ''A bill to amend title 35, United States Code, to promote cooperative research involving universities, the public sector, and private enterprises.''.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 339.

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

There was no objection.

PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

The SPEAKER pro tempore (Mr. SMITH of Texas). Pursuant to House Resolution 552 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 339.

□ 1223

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 339) to prevent frivolous lawsuits against the manufacturers, distributors, or sellers of food or non-alcoholic beverage products that comply with applicable statutory and regulatory requirements, with Mr. CULBERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Virginia (Mr. SCOTT) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the food industry is our Nation's largest private sector employer, providing jobs to some 12 million Americans. Today, that industry is threatened by an array of legal claims alleging that it should be liable to pay damages for the overconsumption of its legal products by others. H.R. 339, the Personal Responsibility in Food Consumption Act, is designed to foreclose frivolous obesity-related lawsuits against the food industry.

From June 20 to the 22nd of last year, personal injury lawyers from across the country gathered at a conference designed to ''encourage and support litigation against the food industry.'' Attendees were required to sign an affidavit in which they agreed to keep the information they learned confidential and to refrain from consulting with or working for the food industry before December 31, 2006, apparently setting a deadline for bringing that vital industry to its knees in a nationally coordinated legal attack.

The hatred of some lawyers for the food industry is stark. Ralph Nader, for example, has compared food companies to terrorists, saying that the double cheeseburger is ''a weapon of mass destruction.''

H.R. 339 prohibits obesity or weight-gain-related claims against the food industry, with reasonable exceptions, including those in which a State or Federal law was broken and as a result the person gained weight, and those in which a company violates an expressed contract or warranty. Also, because this bill only applies to claims based on ''weight gain'' or ''obesity,'' lawsuits could go forward under the bill, if, for example, someone gets sick from a tainted hamburger.

The bill also contains essential provisions governing the conduct of legal proceedings. H.R. 339 includes the very same discovery provisions designed to prevent fishing expeditions that are already a part of our Federal securities laws. It also contains provisions that appropriately require that a complaint set out the fact as to why the case should be allowed to proceed.

Some trial lawyers are mounting an attack on personal responsibility