existing prior to the date of enactment can be used to qualify an application to claim the benefits of the act. Such applications, i.e., those pending on the date of enactment of the act, however, must comply with all of the requirements of the Act, including not only the requirements for disclosure among the parties to the agreement, but also the applicable requirement for a terminal disclaimer. The terminal disclaimer obligations, i.e., that all parties to the joint research agreement consent to having any related patents the first-issued patent and patentably indistinct patents, be bound by the requirements of the Act and the disclaimer be executed by all the owners of such patents, shall provide a means for the U.S. Patent and Trademark Office to confirm that each party to an otherwise eligible joint research agreement that is cited to claim the benefits for an application pending as of the date of enactment of the act has consented to have the act so apply to that application. Thus, associated with any patent application pending on the date of enactment of the act, there will be written evidence of an agreement of the parties to the joint research agreement to affirmatively claim the benefits of, and to be bound by the requirements of, the CREATE Act, by the act of the parties to the joint research agreement recording evidence of their agreement in the same manner as evidence of documents that affect some interest in an application or patent are now recorded with the Patent and Trademark Office.

Before I yield, I would like to thank the cosponsors and their respective staffs for their work on this legislation. In particular, I commend Susan Davies, Jeff Miller, Dan Fine, Dave Jones, and Tom Sydnor for their hard work on this issue. Also, I extend my heartfelt gratitude to Katie Stahl for her hard work on this, and numerous other issues. I was informed today that she will be leaving the Judiciary Committee staff in a couple of weeks, and I want to take this opportunity to acknowledge publicly how sorely she will be missed.

Mr. LEAHY. I am pleased that today the Senate will pass the Cooperative Research and Technology Enhancement Act, the CREATE Act of 2004. As I have noted before, the United States Congress has a long history of strong intellectual property laws, and the Constitution charges us with the responsibility of crafting laws that foster innovation and ensure that creative works are guaranteed their rightful protections. This past March, I joined with Senator HATCH, Senator KOHL, and Senator FEINGOLD in introducing the CREATE Act, which will provide a needed remedy to one aspect of our nation's patent laws.

Our bill is a narrow one that promises to protect American jobs and encourage additional growth in America's information economy.

In 1980, Congress passed the Bayh-Dole Act, which encouraged private entities and not-for-profits such as universities to form collaborative partnerships that aid innovation. Prior to the enactment of this law, universities were issued fewer than 250 patents each year. Thanks to the Bayh-Dole Act, the number of patents universities have been issued in more recent years has surpassed two thousand—adding billions of dollars annually to the US economy.

The CREATE Act corrects for a provision in the Bayh-Dole Act which, when read literally, runs counter to the intent of that legislation. In 1997, the United States Court of Appeals for the Federal Circuit ruled, in Oddzon Products, Inc. v. Just Toys, Inc., that non-public information may in certain cases be considered ''prior art''—a standard which generally prevents an inventor from obtaining a patent. The Oddzon ruling was certainly sound law, but it was not sound public policy, and as a result some collaborative teams have been unable to receive patents for their work. As a consequence, there is a deterrent from forming this type of partnership, which has proved so beneficial to universities, the private sector, the American worker, and the U.S. economy.

Recognizing Congress' intended purpose in passing the Bayh-Dole Act, the Federal Circuit invited Congress to better conform the language of the act to the intent of the legislation. The CREATE Act does exactly that by ensuring that non-public information is not considered ''prior art'' when the information is used in a collaborative partnership under the Bayh-Dole Act. The bill that the Senate is passing today also includes strict evidentiary burdens to ensure that the legislation is tailored narrowly so as only to achieve this goal that—although narrow—is vitally important.

I also wish to draw attention to Senator HATCH's thoughtful explication of some of the more complex issues surrounding the CREATE Act. I agree entirely with his comments, which I believe will prove useful for those seeking a background understanding of this legislation.

I wish to thank my colleagues for their support of this bill, and to thank in particular Senator HATCH, Senator KOHL, Senator FEINGOLD, Senator GRASSLEY, and Senator SCHUMER for their hard work in gaining this bill's passage.

Mr. FRIST. I further ask consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table with no intervening action or debate, and any statements relating to this measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2192) was read the third time and passed, as follows:

S. 2192

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.

PROTECTING INTELLECTUAL RIGHTS AGAINST THEFT AND EXPROPRIATION ACT OF 2004

Mr. FRIST. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 485, S. 2237.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2237) to amend chapter 5 of title 17, United States Code, to authorize civil copyright enforcement by the Attorney General, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Madam President, today the Senate has taken a strong step forward to encourage the distribution of music, films, books, and software on the Internet. For too long the very ease of duplication and distribution

that is the hallmark of digital content has meant that piracy of that content is just as easy. The very real—and often realized—threat that creative works will simply be duplicated and distributed freely online has restricted, rather than enhanced, the amount and variety of creative works one can receive over the Internet.

There is no single solution to the problem of copyright infringement. Part of combating piracy includes offering a legal alternative to it. Another important part is enforcing the rights of copyright owners. We have already taken some steps to do this. The Allen-Leahy Amendment to the Foreign Operations Appropriations Bill, on Combating Piracy of U.S. Intellectual Property in Foreign Countries, provided $2.5 million for the Department of State to assist foreign countries in combating piracy of U.S. copyrighted works. By providing equipment and training to law enforcement officers, the measure will help those countries that are not members of the OECD—Organization for Economic Cooperation & Development—to enforce intellectual property protections.

The PIRATE Act represents another critically important part of the attack. It will bring the resources and expertise of the United States Attorneys' Offices to bear on wholesale copyright infringers. For too long these attorneys have been hindered in their pursuit of pirates, by the fact that they were limited to bringing criminal charges with high burdens of proof. In the world of copyright, a criminal charge is unusually difficult to prove because the defendant must have known that his conduct was illegal and must have willfully engaged in the conduct anyway. For this reason prosecutors can rarely justify bringing criminal charges, and copyright owners have been left alone to fend for themselves, defending their rights only where they can afford to do so. In a world in which a computer and an Internet connection are all the tools you need to engage in massive piracy, this is an intolerable predicament.

The PIRATE act responds to this problem by allowing the United States to continue to enforce existing criminal penalties for intellectual property violations, while providing new civil copyright enforcement remedies to ensure that American creativity and expression continue to thrive. The availability of civil penalties allows prosecutors to help curtail widespread piracy, and at the same time recognizes that handcuffs for infringers is often not the appropriate response.

Although we are debating several divisive issues during this Congress, I am pleased to see that we can all agree that the promise of the digital age can only be fulfilled if we empower our Federal prosecutors to protect the important rights enshrined in the Copyright Act. Senators HATCH, SCHUMER, ALEXANDER and I recognize this need, and I thank them for working with me to produce this important, bipartisan piece of legislation.

Mr. FRIST. I ask unanimous consent that the bill be read the third time and passed with no intervening action or debate and any statements relating to this measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2237) was read the third time and passed, as follows:

S. 2237

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 ''Protecting Intellectual Rights Against Theft and Expropriation Act of 2004''.

SEC. 2. AUTHORIZATION OF CIVIL COPYRIGHT ENFORCEMENT BY ATTORNEY GENERAL.

(a) IN GENERAL.—Chapter 5 of title 17, United States Code, is amended by inserting after section 506 the following:

''§ 506a. Civil penalties for violations of section 506

''(a) IN GENERAL.—The Attorney General may commence a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under section 506. Upon proof of such conduct by a preponderance of the evidence, such person shall be subject to a civil penalty under section 504 which shall be in an amount equal to the amount which would be awarded under section 3663(a)(1)(B) of title 18 and restitution to the copyright owner aggrieved by the conduct.

''(b) OTHER REMEDIES.—

''(1) IN GENERAL.—Imposition of a civil penalty under this section does not preclude any other criminal or civil statutory, injunctive, common law or administrative remedy, which is available by law to the United States or any other person;

''(2) OFFSET.—Any restitution received by a copyright owner as a result of a civil action brought under this section shall be offset against any award of damages in a subsequent copyright infringement civil action by that copyright owner for the conduct that gave rise to the civil action brought under this section.''.

(b) DAMAGES AND PROFITS.—Section 504 of title 17, United States Code, is amended—

(1) in subsection (b)—

(A) in the first sentence—

(1) by inserting '', or the Attorney General in a civil action,'' after ''The copyright owner''; and

(ii) by striking ''him or her'' and inserting ''the copyright owner''; and

(B) in the second sentence by inserting ''; or the Attorney General in a civil action,'' after ''the copyright owner''; and

(2) in subsection (c)—

(A) in paragraph (1), by inserting '', or the Attorney General in a civil action,'' after ''the copyright owner''; and

(B) in paragraph (2), by inserting '', or the Attorney General in a civil action,'' after ''the copyright owner''.

(c) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 17, United States Code, is amended by inserting after the item relating to section 506 the following:

''506a. Civil penalties for violation of section 506.''.

SEC. 3. AUTHORIZATION OF FUNDING FOR TRAINING AND PILOT PROGRAM.

(a) TRAINING AND PILOT PROGRAM.—Not later than 180 days after enactment of this Act, the Attorney General shall develop a program to ensure effective implementation and use of the authority for civil enforcement of the copyright laws by—

(1) establishing training programs, including practical training and written materials, for qualified personnel from the Department of Justice and United States Attorneys Offices to educate and inform such personnel about—

(A) resource information on intellectual property and the legal framework established both to protect and encourage creative works as well as legitimate uses of information and rights under the first amendment of the United States Constitution;

(B) the technological challenges to protecting digital copyrighted works from online piracy;

(C) guidance on and support for bringing copyright enforcement actions against persons engaging in infringing conduct, including model charging documents and related litigation materials;

(D) strategic issues in copyright enforcement actions, including whether to proceed in a criminal or a civil action;

(E) how to employ and leverage the expertise of technical experts in computer forensics;

(F) the collection and preservation of electronic data in a forensically sound manner for use in court proceedings;

(G) the role of the victim copyright owner in providing relevant information for enforcement actions and in the computation of damages; and

(H) the appropriate use of injunctions, impoundment, forfeiture, and related authorities in copyright law;

(2) designating personnel from at least 4 United States Attorneys Offices to participate in a pilot program designed to implement the civil enforcement authority of the Attorney General under section 506a of title 17, United States Code, as added by this Act; and

(3) reporting to Congress annually on—

(A) the use of the civil enforcement authority of the Attorney General under section 506a of title 17, United States Code, as added by this Act; and

(B) the progress made in implementing the training and pilot programs described under paragraphs (1) and (2) of this subsection.

(b) ANNUAL REPORT.—The report under subsection (a)(3) may be included in the annual performance report of the Department of Justice and shall include—

(1) with respect to civil actions filed under subsection 506a of title 17, United States Code, as added by this Act—

(A) the number of investigative matters received by the Department of Justice and United Sates Attorneys Offices;

(B) the number of defendants involved in those matters;

(C) the number of civil actions filed and the number of defendants involved;

(D) the number of civil actions resolved or terminated;

(E) the number of defendants involved in those civil actions;

(F) the disposition of those civil actions, including whether the civil actions were settled, dismissed, or resolved after a trial;

(G) the dollar value of any civil penalty imposed and the amount remitted to any copyright owner; and

(H) other information that the Attorney General may consider relevant to inform Congress on the effective use of the civil enforcement authority;

(2) a description of the training program and the number of personnel who participated in the program; and

(3) the locations of the United States Attorneys Offices designated to participate in the pilot program.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 2005 to carry out this section.