

PATENT OVERHAUL TECHNICAL CORRECTIONS

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6621) to correct and improve certain provisions of the Leahy-Smith America Invents Act and title 35, United States Code, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6621

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

SECTION 1. TECHNICAL CORRECTIONS.

(a) **ADVICE OF COUNSEL.**—Notwithstanding section 35 of the Leahy-Smith America Invents Act (35 U.S.C. 1 note), section 298 of title 35, United States Code, shall apply to any civil action commenced on or after the date of the enactment of this Act.

(b) **TRANSITIONAL PROGRAM FOR COVERED BUSINESS METHOD PATENTS.**—Section 18 of the Leahy-Smith America Invents Act (35 U.S.C. 321 note) is amended—

(1) in subsection (a)(1)(C)(i), by striking “of such title” the second place it appears; and

(2) in subsection (d)(2), by striking “subsection” and inserting “section”.

(c) **JOINDER OF PARTIES.**—Section 299(a) of title 35, United States Code, is amended in the matter preceding paragraph (1) by striking “or counterclaim defendants only if” and inserting “only if”.

(d) **DEAD ZONES.**—

(1) **INTER PARTES REVIEW.**—Section 311(c) of title 35, United States Code, shall not apply to a petition to institute an inter partes review of a patent that is not a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act (35 U.S.C. 100 note).

(2) **REISSUE.**—Section 311(c)(1) of title 35, United States Code, is amended by striking “or issuance of a reissue of a patent”.

(e) **CORRECT INVENTOR.**—

(1) **IN GENERAL.**—Section 135(e) of title 35, United States Code, as amended by section 3(i) of the Leahy-Smith America Invents Act, is amended by striking “correct inventors” and inserting “correct inventor”.

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall be effective as if included in the amendment made by section 3(i) of the Leahy-Smith America Invents Act.

(f) **INVENTOR'S OATH OR DECLARATION.**—Section 115 of title 35, United States Code, as amended by section 4 of the Leahy-Smith America Invents Act, is amended—

(1) by striking subsection (f) and inserting the following:

“(f) **TIME FOR FILING.**—The applicant for patent shall provide each required oath or declaration under subsection (a), substitute statement under subsection (d), or recorded assignment meeting the requirements of subsection (e) no later than the date on which the issue fee for the patent is paid.”; and

(2) in subsection (g)(1), by striking “who claims” and inserting “that claims”.

(g) **TRAVEL EXPENSES AND PAYMENT OF ADMINISTRATIVE JUDGES.**—Notwithstanding section 35 of the Leahy-Smith America Invents Act (35 U.S.C. 1 note), the amendments made by section 21 of the Leahy-Smith America Invents Act (Public Law 112-29; 125 Stat. 335) shall be effective as of September 16, 2011.

(h) **PATENT TERM ADJUSTMENTS.**—Section 154(b) of title 35, United States Code, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(i)(II), by striking “on which an international application fulfilled the requirements of section 371 of this

title” and inserting “of commencement of the national stage under section 371 in an international application”; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking “the application in the United States” and inserting “the application under section 111(a) in the United States or, in the case of an international application, the date of commencement of the national stage under section 371 in the international application”;

(2) in paragraph (3)(B)(i), by striking “with the written notice of allowance of the application under section 151” and inserting “no later than the date of issuance of the patent”; and

(3) in paragraph (4)(A)—

(A) by striking “a determination made by the Director under paragraph (3) shall have remedy” and inserting “the Director's decision on the applicant's request for reconsideration under paragraph (3)(B)(ii) shall have exclusive remedy”; and

(B) by striking “the grant of the patent” and inserting “the date of the Director's decision on the applicant's request for reconsideration”.

(i) **IMPROPER APPLICANT.**—Section 373 of title 35, United States Code, and the item relating to that section in the table of sections for chapter 37 of such title, are repealed.

(j) **FINANCIAL MANAGEMENT CLARIFICATIONS.**—Section 42(c)(3) of title 35, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking “sections 41, 42, and 376,” and inserting “this title.”; and

(B) by striking “a share of the administrative costs of the Office relating to patents” and inserting “a proportionate share of the administrative costs of the Office”; and

(2) in subparagraph (B), by striking “a share of the administrative costs of the Office relating to trademarks” and inserting “a proportionate share of the administrative costs of the Office”.

(k) **DERIVATION PROCEEDINGS.**—

(1) **IN GENERAL.**—Section 135(a) of title 35, United States Code, as amended by section 3(i) of the Leahy-Smith America Invents Act, is amended to read as follows:

“(a) **INSTITUTION OF PROCEEDING.**—

“(1) **IN GENERAL.**—An applicant for patent may file a petition with respect to an invention to institute a derivation proceeding in the Office. The petition shall set forth with particularity the basis for finding that an individual named in an earlier application as the inventor or a joint inventor derived such invention from an individual named in the petitioner's application as the inventor or a joint inventor and, without authorization, the earlier application claiming such invention was filed. Whenever the Director determines that a petition filed under this subsection demonstrates that the standards for instituting a derivation proceeding are met, the Director may institute a derivation proceeding.

“(2) **TIME FOR FILING.**—A petition under this section with respect to an invention that is the same or substantially the same invention as a claim contained in a patent issued on an earlier application, or contained in an earlier application when published or deemed published under section 122(b), may not be filed unless such petition is filed during the 1-year period following the date on which the patent containing such claim was granted or the earlier application containing such claim was published, whichever is earlier.

“(3) **EARLIER APPLICATION.**—For purposes of this section, an application shall not be deemed to be an earlier application with respect to an invention, relative to another application, unless a claim to the invention was or could have been made in such applica-

tion having an effective filing date that is earlier than the effective filing date of any claim to the invention that was or could have been made in such other application.

“(4) **NO APPEAL.**—A determination by the Director whether to institute a derivation proceeding under paragraph (1) shall be final and not appealable.”.

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall be effective as if included in the amendment made by section 3(i) of the Leahy-Smith America Invents Act.

(3) **REVIEW OF INTERFERENCE DECISIONS.**—The provisions of sections 6 and 141 of title 35, United States Code, and section 1295(a)(4)(A) of title 28, United States Code, as in effect on September 15, 2012, shall apply to interference proceedings that are declared after September 15, 2012, under section 135 of title 35, United States Code, as in effect before the effective date under section 3(n) of the Leahy-Smith America Invents Act. The Patent Trial and Appeal Board may be deemed to be the Board of Patent Appeals and Interferences for purposes of such interference proceedings.

(1) **PATENT AND TRADEMARK PUBLIC ADVISORY COMMITTEES.**—

(1) **IN GENERAL.**—Section 5(a) of title 35, United States Code, is amended—

(A) in paragraph (1), by striking “Members of” and all that follows through “such appointments.” and inserting the following: “In each year, 3 members shall be appointed to each Advisory Committee for 3-year terms that shall begin on December 1 of that year. Any vacancy on an Advisory Committee shall be filled within 90 days after it occurs. A new member who is appointed to fill a vacancy shall be appointed to serve for the remainder of the predecessor's term.”;

(B) by striking paragraph (2) and inserting the following:

“(2) **CHAIR.**—The Secretary of Commerce, in consultation with the Director, shall designate a Chair and Vice Chair of each Advisory Committee from among the members appointed under paragraph (1). If the Chair resigns before the completion of his or her term, or is otherwise unable to exercise the functions of the Chair, the Vice Chair shall exercise the functions of the Chair.”; and

(C) by striking paragraph (3).

(2) **TRANSITION.**—

(A) **IN GENERAL.**—The Secretary of Commerce shall, in the Secretary's discretion, determine the time and manner in which the amendments made by paragraph (1) shall take effect, except that, in each year following the year in which this Act is enacted, 3 members shall be appointed to each Advisory Committee (to which such amendments apply) for 3-year terms that begin on December 1 of that year, in accordance with section 5(a) of title 35, United States Code, as amended by paragraph (1) of this subsection.

(B) **DEEMED TERMINATION OF TERMS.**—In order to implement the amendments made by paragraph (1), the Secretary of Commerce may determine that the term of an existing member of an Advisory Committee under section 5 of title 35, United States Code, shall be deemed to terminate on December 1 of a year beginning after the date of the enactment of this Act, regardless of whether December 1 is before or after the date on which such member's term would terminate if this Act had not been enacted.

(m) **REPORT ON PRE-GATT APPLICATIONS.**—Using existing resources, not later than four months after the date of the enactment of this Act, the Director of the United States Patent and Trademark Office shall submit a report to the Committees on the Judiciary of the United States House of Representatives and the Senate that describes—

(1) the total number of pending United States applications for patent that—

(A) are not subject to an order under section 181 of title 35, United States Code; and

(B) were filed before the effective date of the amendments made by section 532 of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4983);

(2) the filing date of each such application;

(3) the filing date of the earliest application for which each such application claims the benefit of or a right of priority to its filing date;

(4) the inventor and assignee named on each such application;

(5) the amount of time that examination of each such application has been delayed because of a proceeding under section 135(a) of title 35, United States Code, an appeal to the Patent Trial and Appeal Board under section 134(a) of such title, a civil action in a United States District Court under section 145 or 146 of such title, or an appeal to the United States Court of Appeals for the Federal Circuit under section 141 of such title; and

(6) other information about such applications that the Director believes is relevant to their pendency.

(n) CLERICAL AMENDMENT.—Section 123(a) of title 35, United States Code, is amended in the matter preceding paragraph (1) by inserting “of this title” after “For purposes”.

(o) EFFECTIVE DATE.—Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to proceedings commenced on or after such date of enactment.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SMITH) and the gentleman from Michigan (Mr. CONYERS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. SMITH of Texas. 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 materials on H.R. 6621, as amended, currently under consideration.

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

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Leahy-Smith America Invents Act, or AIA, was signed into law on September 16, 2011. It was the first major patent reform bill in over 60 years and the most substantial reform of U.S. patent law since the 1836 Patent Act. The Leahy-Smith AIA reestablishes the United States patent system as a global standard.

Over the past year, the Patent Office has worked diligently to implement the provisions of the act to ensure that the bill realizes its full potential to promote innovation and create jobs. The bill that we consider today includes several technical corrections and improvements that ensure that the implementation of the bill can proceed efficiently and effectively.

The bill is supported by all sectors of our economy from across the United States, including manufacturers, uni-

versities, technology, pharmaceutical and biotech companies, and innovators. I've also received letters in support from the Coalition for 21st Century Patent Reform, which represents manufacturers, pharmaceutical, technology, defense companies, and universities; the Innovation Alliance, which represents high-tech companies and licensors; and the BSA, the Business Software Alliance, which represents a range of high technology and software companies.

The Leahy-Smith AIA fundamentally changes our Nation's innovation infrastructure. With any such substantive and wide-ranging legislation, unforeseen issues may arise as implementation occurs. H.R. 6621 corrects many of these issues.

This package consists of several technical corrections to the AIA that are essential to the effective implementation of the bill. Other technical corrections and improvements may arise in the future, for example, the issue surrounding the correction of the post-grant review estoppel provision in the Leahy-Smith AIA. This was the result of an inadvertent scrivener's error, an error that was made by legislative counsel. That technical error has resulted in an estoppel provision with a higher threshold than was intended by either House of Congress.

Additionally, we must remain watchful as we examine ways to deal with the abusive and frivolous litigation that American innovators face from patent assertion entities or patent trolls.

As the provisions of the Leahy-Smith AIA continue to take effect, our Nation's innovation infrastructure becomes much stronger, unleashing the full potential of American innovators and job creators.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

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

Members of the House, I rise in support, as well, of H.R. 6621 because it's a measure that improves the America Invents Act—the most significant reform to the Patent Act law since 1952—that was signed by President Obama last year.

As many of my colleagues may recall, I had concerns about the act as to whether it would benefit large multinationals at the expense of independent inventors, and thereby harm job creation in our Nation. For this reason, I opposed the version of the patent bill that was considered by the House last year; but given the fact that this bill is now law, our focus should be on how it can be improved. That's why I support it presently, because it accomplishes that very goal in several respects.

To begin with, this law clarifies that the Advice of Counsel section applies to civil actions commenced on or after the date of this legislation's enactment. Why is that important? Well, because the America Invents Act created

a new section that prevents use of evidence of an accused infringer's failure to obtain advice of counsel, or his failure to waive privilege and introduce such opinion, to prove either willfulness or intent to induce infringement. This provision, however, failed to specify when the new authority would go into effect, and it makes a series of other technical clarifications to the act.

In addition, we find that this bill is necessary and has made the necessary commonsense technical corrections and involves including any substantive revisions to the act. So it's my hope that the Judiciary Committee will continue its oversight of the act into the next Congress and consider ways in which it can be further improved.

I commend the chairman of the committee for his moving this bill forward, and I urge my colleagues to support this legislation.

I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRBACHER).

Mr. ROHRBACHER. Mr. Speaker, I rise in strong opposition to H.R. 6621.

The bill being considered is being promoted as a technical corrections piece of legislation, and by and large that's exactly what it is. But also, there is one provision in this bill that raises significant concerns and needs to be addressed. I would ask my friend from Michigan perhaps to consider this and perhaps reconsider his position on the bill, because I'm sure he does not know about this.

Our country's patent system has long been one of the strongest in the world.

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One of its basic tenets has been the steadfast adherence to the principle of total confidentiality of a patent application until the patent is granted. Congress has repeatedly stood by that principle even though there have been many powerful forces in this country trying to eliminate that concept, but we've stood by this principle that these applicants should have confidentiality as their application works its way through the patent system. It prevents the big guys with money and power from attacking and neutralizing the little guys with genius but few resources.

H.R. 6621 threatens to disrupt this longstanding practice and principle by requiring the United States Patent and Trademark Office to submit a report to Congress on certain patent application sections. This report, as mandated by this bill, will include information about the applications that have been traditionally kept confidential, including the name of the inventor, which has always been confidential to prevent these inventors from attack by very powerful interests who would steal their invention.

While the technical contents of the applications would be most likely not included in the report, this legislation

requires the PTO, in their report to Congress, to report the names of the applicants.

The SPEAKER pro tempore (Mr. YODER). The time of the gentleman has expired.

Mr. SMITH of Texas. I yield the gentleman an additional 1 minute.

Mr. ROHRABACHER. There is a requirement to report the names, so this bill requires in this report to have the names of the applicants and other identifying information that could be used by powerful outside groups—yes, read that foreign and multinational corporations—to make these applicants potential targets even before their patent is granted.

Anonymity could easily be accomplished by a simple change to one section of this bill. Perhaps the PTO could create a unique identifier for each applicant so that they could easily be tracked but without giving risk that the public would know about this and be able to identify the inventor.

We can make this a good bill. We just need to take a couple words out of it or one small section out of it, because as the ranking member suggested, it does a lot of good, but it does a lot of harm, much more harm, unless we take this out of the bill.

So I would ask my colleagues to oppose this legislation until it is perfected so we are not going to hurt the little inventors and hurt our country's ability on the technology front by trying to make a few technical corrections to the way the Patent Office does its job.

Mr. CONYERS. Mr. Speaker, I am pleased to recognize the ranking member of our Intellectual Property Subcommittee, MEL WATT of North Carolina. I yield him as much time as he may consume.

Mr. WATT. Mr. Speaker, I rise in support of H.R. 6621, as amended.

(Mr. WATT asked and was given permission to revise and extend his remarks.)

Mr. WATT. And with having been granted that unanimous consent, I think I can submit substantially all of my statement into the RECORD. However, I did want to acknowledge the outstanding stewardship of Under Secretary of Commerce for Intellectual Property and the director of the Patent and Trademark Office, David Kappos, and his remarkable staff for their tireless efforts both in getting patent reform across the finish line and in the timely implementation of its provisions.

In connection with these amendments to the bill, Director Kappos has announced that he intends to leave the Patent and Trademark Office in January. He will leave behind a long line of achievements and good will that were instrumental throughout this process, and he will leave behind a Patent and Trademark Office that is much better respected and equipped to serve the important purpose of recognizing and protecting our important intellectual

property than the office was before he arrived there. His successor, no doubt, will have some big shoes to fill. And we wish Director Kappos all our best in all of his future endeavors.

Mr. Speaker, after concerted effort over at least three terms of Congress, last year we completed a major overhaul of our patent system designed to afford American inventors with a more efficient, effective, and well-resourced patent office. President Obama signed the Leahy-Smith America Invents Act into law on September 16, 2011. Since that time the PTO has been diligently working to implement the provisions of the Act which approved significant reforms designed to simplify the process for acquiring patents, enhance patent quality, reduce costs, improve fairness and make it easier for American inventors to market their products in the global marketplace.

As with almost every piece of major legislation, the need for technical corrections and improvements became obvious after passage. H.R. 6621 goes a long way towards addressing the concerns which have been identified by staff, the patent office and various stakeholders in the time since the law's enactment.

Among the provisions addressed by H.R. 6621, important adjustments have been made to ensure that inadvertent "dead zones," in which post grant review proceedings could not be initiated as intended, are eliminated. H.R. 6621 will also tighten language to prevent dilatory tactics and gamesmanship in the newly created derivation proceedings. A third fundamental correction involves PTO funding and will guarantee that all PTO administrative costs will be covered either by patent fees or trademark fees.

While there are other provisions of the America Invents Act that will likely require legislative corrections or adjustments, this bill, like the underlying Act, enjoys bipartisan support and should be passed.

Mr. Speaker, I would also like to acknowledge the outstanding stewardship of Under Secretary of Commerce for Intellectual Property and Director of the PTO, David Kappos, and his remarkable staff for their tireless efforts both in getting patent reform across the finish line and in the timely implementation of its provisions. Director Kappos has announced that he intends to leave the PTO in January. He will leave behind a long line of achievements and good will that were instrumental throughout this process and he will leave behind a Patent and Trademark office that is much better respected and equipped to serve the important purpose of recognizing and protecting our important intellectual property than it was when he arrived. His successor, no doubt, will have some big shoes to fill. We wish Director Kappos the best in all his future endeavors.

With that, Mr. Speaker, I urge support for H.R. 6621.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, The report on pre-GATT applications refers to applications that were filed prior to the Uruguay Round amendments taking effect in June 1995. The 103rd Congress intended for a brief transition period as the United States patent system was updated. Unfortunately, a small number of applicants have engaged in clearly dilatory behavior and con-

tinue to maintain pending applications with effective filing dates that predate 1995. In fact, some of these applications have been pending for 20, 30, and even 40 years.

The 103rd Congress never intended for such applications to stay pending for half a century. To remove such technology from the public domain in 2012, would bear no relation to the patent system's Constitutional purpose to promote the progress of science and the useful arts.

Now it is important for the 113th Congress and the Public to learn fully about these applications from the USPTO. The Committee expects that the report will contribute to an understanding of whether these applications present special circumstances that require further action to protect the public's interests.

Those who may have concerns about this report must understand that there is no way to "target" these submarine applications—the targets are, in fact, the people who will be sued once these submarine patents surface. The real targets are American job creators like small businesses, innovators and university researchers. And the public has a right to know in advance if certain widely used and long known technology is about to be withdrawn from the public domain.

The patent system was never intended to be a playground for trial lawyers and frivolous lawsuits. Sound patents should issue in a timely manner and should be used to create wealth and jobs.

I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I am pleased to yield back any time remaining on our side.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 6621, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. ROHRABACHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

KATIE SEPICH ENHANCED DNA COLLECTION ACT OF 2012

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6014) to authorize the Attorney General to award grants for States to implement minimum and enhanced DNA collection processes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6014

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 "Katie Sepich Enhanced DNA Collection Act of 2012".

SEC. 2. DEFINITIONS.

For purposes of this Act: