Ms. HANABUSA. Mr. Speaker, December 13 is 9 days away. This is part of that side agreement when the CR was agreed to and when the debt ceiling was suspended. The budget is a statement of the House's and Senate's values and priorities, and that is what is to be agreed to by December 13.

One of the things we must say, Mr. Speaker, at the very minimum, is that sequestration has to go. The CBO says it will cost up to 1.6 million jobs if it is allowed to stand. Conversely, it will add 900,000 new jobs if it is gotten rid of.

Sequestration has affected programs like Head Start, SNAP, programs of the National Institutes of Health, mental health issues—just to name a few—as well as our defense industry. There is no longer any room in these budgets to accommodate all of these expenses just to pay what we need to pay to keep these programs going.

That is why we have to say that sequestration has got to go. That is why, in the next 9 days, you will hear more and more speak about sequestration and the fact that we must act on it.

CLIMATE CHANGE

(Mr. MORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORAN. Mr. Speaker, for 100 consecutive days, the Safe Climate Caucus has brought to the House floor the reality and the ramifications of climate change.

There was a recent report from three very reputable think tanks, entitled, ''The Arab Spring and Climate Change.'' Let me just quote from a couple of the troubling but illuminating conclusions that it comes to.

A prolonged and severe drought during the winter of 2010 in China ''contributed to global wheat shortages and skyrocketing bread prices in Egypt, the world's largest wheat importer,'' accelerating political instability . . .

And in another part of the report, in quotes, ''social, economic, environmental, and climate changes in Syria . . . eroded the social contract between citizen and government . . . strengthening the case for the opposition movement and irreparably damaging the legitimacy of the Assad regime.''

The authors conclude that global warming may not have caused the Arab Spring but that it clearly made it come earlier.

The stresses climate change is imposing today on nations across the globe are harbingers of more severe consequences in the future. We have to address the reality and the ramifications of climate change now.

AFFORDABLE CARE ACT

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, today, the President put forth some conversation about the Affordable Care Act that focuses especially on women's health. I am absolutely delighted to come to the floor to address that issue in that—and I hope every woman in America understands this—because of the Affordable Care Act, being a woman is no longer a preexisting medical condition. As the mother of five children—four daughters and one son—I am very excited about this.

Over the break, I had the privilege of being at a meeting with some researchers on the subject of breast cancer in particular, and they spent a good deal of the time telling us what the possibilities were with research that should be funded—that is a budget issue, another subject, but one that is related here—and that we could remove this threat to women's health with proper research.

They took time to say that one thing that was helping women with breast cancer more than anything was the Affordable Care Act—that they would have access to care without being discriminated against because of a preexisting medical condition, that no longer would they have annual or lifetime limits on the health insurance that they would receive. The relief of the stress from all of that is a very healthy thing for people who have a diagnosis.

So whatever it is—whether it is mammograms as my colleague Congresswoman DEBBIE WASSERMAN SCHULTZ so generously shared her story with us about her experience or, earlier, as Congresswoman DELAURO shared hers and as other Members shared the stories of their constituents—this is really very important. Moms are the hubs of families. Many of them fear this diagnosis. Many families in America have been affected by it.

With our investments in research and with the Affordable Care Act, women have reason to be very, very hopeful that this can be prevented with early detection—and not only with early detection but with regular detection. Then, on top of that, if they have that feared diagnosis, they will receive the care that they deserve.

There is one other point I want to make about it because we all worship at the altar of biomedical research and what it means for our country and the thought that we could be rid of breast cancer in a handful of years: we want to make sure every woman in America and every person in America benefits from that research. The vehicle for that is the Affordable Care Act. It stands right there with Social Security, with Medicare, with affordable—and that is the word, ''affordable''—health care for all Americans as a pillar of health and economic security for the American people.

Today, we focus on moms—we focus on women—and we say, Thank God. No longer will being a woman be a preexisting medical condition.

PROVIDING FOR CONSIDERATION OF H.R. 3309, INNOVATION ACT; AND PROVIDING FOR CONSIDERATION OF H.R. 1105, SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

Mr. NUGENT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 429 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 429

Resolved, That at any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3309) to amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113-28. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part A of the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. Upon adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1105) to amend the Investment Advisers Act of 1940 to provide a registration exemption for private equity fund advisers, and for other purposes. All points of order against consideration of the bill are waived. An amendment in the nature of a substitute consisting of the text of Rules Committee Print 113-29 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered

on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services; (2) the further amendment printed in part B of the report of the Committee on Rules accompanying this resolution, if offered by Representative Carolyn Maloney of New York or her designee, which shall be in order without intervention of any point of order, shall be considered as read, shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. POE of Texas). The gentleman from Florida is recognized for 1 hour.

Mr. NUGENT. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Colorado (Mr. POLIS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. NUGENT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. NUGENT. Mr. Speaker, I rise today in support of this rule, House Resolution 429.

House Resolution 429 provides a structured rule for both H.R. 3309, the Innovation Act, and H.R. 1105, the Small Business Capital Access and Job Preservation Act. The rule gives the House the opportunity to debate a variety of important amendments offered by Members on both sides of the aisle.

The Innovation Act seeks to address a growing problem of abusive patent litigation, commonly known as ''patent trolling.'' Patent trolls are nonpracticing entities. In other words, they don't make or sell products, and they don't supply services. Instead, they exist only to secure fees from businesses that use technologies covered by the patents they own. They do this by acquiring weak patents and then filing numerous patent infringement lawsuits or sending blanket demand letters to a business.

The victims of these frivolous lawsuits are all too often small businesses or start-ups that are ill-equipped to protect themselves. They simply don't have the resources available to mount an adequate defense. It is, by definition, a lose-lose scenario for them. Defendants pay millions in damages if they lose and millions in legal fees if they win. More often, defendants are forced to settle, despite the merits of a case, in order to avoid expensive legal costs.

Meanwhile, patent trolls are aided by law firms that operate on contingency fees. This means that, if nonpracticing entities lose their cases, there are no monetary consequences for them—none at all. They aren't on the hook for legal fees like their counterparts are.

As you can see, for small companies, this system is inherently unfair. Our small businesses are our most important innovators in this country. They are largely responsible for the new products and services we, as consumers, enjoy. They are also a critical factor in growing our economy and creating jobs. We ought to provide fairness to them by leveling the playing field in the patent litigation process. We ought to ensure that our patent system isn't stifling innovation but encouraging it. Unfortunately, this just isn't the case right now.

Patent trolling is a destructive practice that saps resources from small businesses and increases costs for consumers.

□ 1245

And its negative impact isn't limited to just the tech sector either. Patent trolling affects businesses and industries of all types, including the health industry and even grocers. It is absolutely a drag on our economy.

An issue like this undoubtedly deserves to be debated by the House. This rule will ensure that a deliberative process takes place. The rule also allows for consideration of H.R. 1105, the Small Business Capital Access and Job Preservation Act.

This legislation would remove the requirement that small private equity firms register with the Securities and Exchange Commission, the SEC. However, it would retain the option of registering if they choose to.

Under current law, small private equity firms are being grouped by behemoths despite the fact that they played no contributing role in the financial crisis we just went through. Even the chairman of the SEC in a letter to Chairman HENSARLING admitted that the private equity funds were not an underlying cause of the recent financial crisis.

Furthermore, private equity does not pose a systemic risk to the economy. So why are we taking limited resources at the SEC away from their mission and shifting them to oversee firms that pose no systemic risk at all? Why are we burdening these small companies with SEC registration costs that, according to the Private Equity Growth Council, can exceed over $1 million per year?

More money in unnecessary compliance costs means less money to invest in companies, particularly newer ones, which allow them to grow and create the jobs we desperately need.

In my own State of Florida, there are over 1,000 private equity-backed companies. Let me repeat that: there are over 1,000 private equity-backed companies in Florida alone. There are over 100 private equity firms within the State of Florida. These companies support more than 800,000 workers throughout the country.

In fact, in 2012, Florida ranked fifth in the Nation in attracting private equity investment. That investment is a vital tool for growing companies, and we are needlessly handcuffing their ability to do just that.

H.R. 1105 will help these smaller funds and increase the capital available for real companies so their businesses can thrive. Make no mistake, this is a jobs bill and it will help grow our economy.

I support this rule that will allow us to consider these bills, and I hope that my colleagues on both sides of the aisle will do the same.

With that, I reserve the balance of my time.

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

There are many things that my good friend from Florida said that I agree with. I will be discussing some of the merits of these bills, but it is worthwhile to bring forward before discussing what these bills are, what these bills are not.

It has been 159 days and 14 hours since the Senate passed a comprehensive immigration reform bill. This body's failure to act on immigration reform has already cost our economy nearly $6 billion. Each additional day, each day that we delay action costs $37 million in revenue; hundreds of thousands of jobs lost; failure to secure the border; failure to restore the rule of law to our country; countless families torn apart.

While the Judiciary Committee has found the time to move asbestos bills and patent reform bills to the floor with ease, immigration reform remains stagnant. The Judiciary Committee has reported out four immigration reform bills: the Legal Workforce Act, the Agricultural Guestworker Act, the SAFE Act, and the SKILLS Visa Act. They reported these four bills out prior to the asbestos bill which was rushed immediately to the floor and prior to the patent bill which was rushed to the floor after a hearing in the Rules Committee yesterday.

My question to the gentleman from Florida—and I will be happy to yield for a moment—is why we are giving such treatment to asbestos and patent reform when immigration reform would create so many more jobs and reduce our deficit by so much more?

I would like to know if the gentleman from Florida has an answer to that question.

I yield to the gentleman from Florida.

Mr. NUGENT. I thank the gentleman from Colorado, but I will tell you this: the House is moving through the Judiciary Committee at a pace to make sure that we do this right in regards to immigration.

Where the Senate has rushed through a bill that is so comprehensive and so large, it will be similar to ObamaCare before we actually——

Mr. POLIS. Reclaiming my time, 68 Members of the Senate, including

many Republicans, including former Presidential Republican nominee JOHN MCCAIN, supported the Senate immigration reform bill.

I certainly understand the desire to get it right, but bills don't get right by themselves. These are four bills that have passed in the Judiciary Committee. We in Rules like to make them right by allowing good, thoughtful amendments from colleagues on both sides of the aisle. I hope that next week or when we are back, we will be able to move forward the immigration bills with the same alacrity that we have moved forward asbestos and patent reform.

I hope the same thing happens that as these bills move through Judiciary that we do see them in the Rules Committee and that they ultimately come to this floor for debate.

Mr. Speaker, I do support the underlying bills that are contained under this rule. I support H.R. 1105, the bipartisan Small Business Capital Access and Job Preservation Act. It exempts private equity funds which are very lightly leveraged in helping to grow companies and jobs from costly and unnecessary SEC registration and reporting requirements like venture capital firms that are already exempted and substantially have very similar business models to private equity firms. These registration requirements are an impediment to business and an impediment to job growth and have nothing to do with creating systemic risk in our economy.

Importantly, this bill would only exempt private equity firms with low debt-to-equity ratios leveraged at a ratio of less than 2 to 1. Once you get to talking about much higher debt-to-equity ratios, there is potentially systemic risk if you are talking about funds in the multi-billions of dollars that are highly leveraged. It is still hard to see how that could happen. It had nothing to do with the financial meltdown of '08-'09. But in this case, we are being extremely safe in saying if they are leveraged 2 to 1, they are no systemic risk to the economy.

My State and my district know firsthand the benefits that private equity provides to employees, to companies, to investors, including pensions, and our economy. There are nearly 500 private equity-backed companies headquartered in Colorado, many more that operate with employees, more than 124,000 workers in Colorado facilities. In 2012, there were 67 private equity investments in Colorado totaling over $26 billion that were brought to our State because of this investment mechanism, placing Colorado third in the States receiving the most private equity investment.

The underlying rule also makes in order H.R. 3309, the Innovation Act, which I also support. In 2011, ''patent assertion entities,'' some of whom are bad actors which are sometimes referred to as ''patent trolls,'' who often produce little or nothing and derive their revenue from litigation and licensing, cost significant overhang to other businesses and to consumers for whom many of these costs are passed along in the products or services that we all enjoy. The majority of the targets of patent trolls were start-ups—hospitals, restaurants, retailers, hotels, and other important job-creation engines in our economy.

The reforms made in the America Invents Act, enacted 2 years ago, went a little ways in this regard, but did not do much to halt or put a stop to or reduce patent troll litigation or improve the quality of patents. In the case of software patents, growing patent backlogs, lack of training and resources available to PTO examiners, and ambiguity regarding patentability standards have led to approval of low-quality software patents that have not even stood up when brought to litigation.

Thankfully, the momentum is growing to address patent reform. I want to be clear—and I discussed this with Chairman GOODLATTE in the Rules Committee yesterday—this bill is not patent reform. I believe the gentleman, Mr. GOODLATTE, agrees this is not patent reform. It may be a few steps in the right direction. It may be a good start. It doesn't fundamentally create an intellectual property protection system for the digital era in the 21st century.

It continues to put, constructively, Band-Aids on a 1913 system, which I do believe it is high time to rethink. I look forward to an upcoming symposium in my district at the University of Colorado this Friday that we will be having on sort of ''blue sky'' intellectual property protection mechanisms for the 21st century in the digital economy to encourage growth and to protect inventors. This bill does not do that. However, it is a step forward in many regards.

While I strongly support many of these patent system improvements, it won't fix our patent system. Patent trolls have targeted every form of business. It should come as no surprise that the Innovation Act enjoys support from Members from both sides of the aisle, from companies, from academics. I submitted a letter from 67 professors at law universities who practice in IP from a broad ideological perspective into the record in our Rules Committee yesterday expressing their support for this bill.

This bill maintains protections for inventors' rights to enforce their patent claims. Specifically, this bill allocates the burden of patent litigation more fairly. It includes a provision that restores financial accountability to the patent system by making it easier for courts to impose sanctions on anyone who brings a frivolous patent suit.

The bill also requires the disclosure of critical details when a patent-holder files a suit, such as what patent and claims are being infringed, so the person or entity receiving the letter can know what is being discussed so that defendants don't need to guess the nature of the allegations against them.

The underlying legislation further requires patent-holders to disclose additional information to the PTO, the court, and the accused infringer, including the patent ownership, who owns the patent, and parties with financial interest in the patent. These provisions will help stop patent trolls who engage in illegitimate litigation campaigns and extortion against start-ups and small businesses.

While I strongly support these patent reforms that are a modest step towards improving our patent system, the litigation reforms alone don't have enough to benefit start-ups and small companies that are targeted by patent trolls who send pre-litigation demand letters. I am very appreciative of the chairman's effort to allow, and the Rules Committee's effort to allow, for the discussion of my amendment, along with Mr. CHAFFETZ, Mr. CONNOLLY, and Mr. MARINO, who have been working in this regard to see stronger language on the issue of pre-litigation demand letters. And I am grateful that we have made in order an amendment to increase accountability in the demand letter process.

We will be discussing that amendment in a more thorough basis shortly; but, in brief, the problem is that before a patent troll even files a suit, it typically sends a demand letter, or many demand letters, demanding some form of payment. Under current law, the sender does not even have to disclose even the most basic information. As such, entities often hide behind numerous shell corporations or send vague or overbroad letters that don't even identify the owner of the patent or the basis of their legal claim, essentially leading particularly small companies to have to hire lawyers or attorneys at great expense. When you have a company that is a $300,000-a-year company, a $500,000-a-year company, and you receive one or more of these notices, you can imagine how that takes away from your growth, your margins, your ability to hire more people, if you have to retain professional counsel to even understand what is being alleged that your company did.

Importantly, the underlying bill requires patent-holders seeking to bring willful infringement claims to provide their targets with a minimum level of disclosure information. The amendment enhances that and builds upon the language and would mandate that demand letters include information identifying the parent entity of the claimant. This language will help ensure that patent trolls can no longer hide under shell companies to conceal their true entity and their legitimacy from the demand letter recipient.

I look forward to discussing these bills further, and I reserve the balance of my time.

Mr. NUGENT. Mr. Speaker, first, I want to respond to my good friends from Colorado. I appreciate that he appreciates the approach that this House

is taking, particularly as it relates to both of the bills that are the underlying aspect of this rule. It is about moving in a deliberative manner to make sure that we get it right. I thank Mr. POLIS for pointing that out.

I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS of Georgia. Mr. Speaker, I appreciate the gentleman for yielding.

I rise in strong support of the rule and the underlying legislation, particularly H.R. 3309, the Innovation Act.

As a member of the Judiciary Committee, I have seen firsthand the diligent and deliberative effort put forth by Chairman GOODLATTE and the rest of the committee to bring forth to this body a pro-business, pro-growth, pro-liberty bill to reform our patent laws. As my friend from Colorado stated, there is more that can be done, but this is a very positive step. I agree with him, and I appreciate that support. The committee vote speaks for that as well when it is 33–5 reported out of committee on final passage.

In the time that I have been yielded, I would like to also talk about a misconception that some in the higher education community seem to have about a fee-shifting provision in this bill.

Despite the claims of some, the bill language protects plaintiffs who bring a reasonable and good faith case and who do not engage in litigation misconduct. In fact, even if a plaintiff's case is rejected by a court, the plaintiff is still immune from a fee award if his case ''had a reasonable basis in both law and fact.''

I am a strong supporter of our universities and the incredible research they are doing. I believe our patent laws should protect them, just as they should protect the small businesses and start-ups that rely on our world-class patent system. The ability to enforce one's patent in court is essential to preserving the value of the patent and is the inherent right of the patent-holder.

Nothing in the Innovation Act changes this. Ensuring fair and equitable access to our courts isn't done at the expense of universities, but at the benefit of all patent-holders.

□ 1300

As we move forward to general debate and the consideration of amendments made in order by this rule, I urge my colleagues to be very cautious in supporting amendments that would gut or upset the careful balance achieved by this bill.

Many of the sections in H.R. 3309 are intertwined, and the result is a package of reforms that collectively will help American businesses and job creators, both large and small, combat a business model designed solely to benefit from exploitation of our patent system.

And make no mistake, this isn't just a Silicon Valley problem. In my home State of Georgia, I hear from hotels, retailers and start-ups alike on the economically devastating impact that vague demand letters and the threat of costly and frivolous litigation has on their ability to do business.

End-users are often attacked and often threatened for infringement of an unidentified patent they previously bought in a store. This is why the customer protections in section 5 of the bill are so important and should not be weakened or eliminated. As a strong conservative, I believe our government shouldn't be in the business of picking winners and losers in the marketplace. Innovation thrives when government takes a hands-off approach, but there are time when Congress must step in to ensure that our laws operate as they were intended. This is exactly why we need H.R. 3309.

I urge my colleagues to support this rule and the underlying bills; and I also ask that each Member carefully consider any amendment that would weaken or compromise the provisions of H.R. 3309, and particularly section 5.

But I will say this before I leave because I have come and spoken on many bills, and my dear friend from Colorado continues to bring up immigration. I just want to remind the Speaker that there was a time a few years ago when there was a golden era in which his party controlled the House, the Senate, and the Presidency.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUGENT. I yield an additional 30 seconds to the gentleman.

Mr. COLLINS of Georgia. I thank the gentleman.

There were choices made, and there were plenty of choices you made, and even one to this day that we are talking about, health care legislation. One of those choices, from your point of view, sadly, was not taken, and that was immigration. Today we are dealing with bills that we both agree on, but let's not forget the fact that when you had a chance, you didn't do it.

The SPEAKER pro tempore. Members are advised to direct their remarks to the Chair and not to individual Members in the second person.

Mr. POLIS. And I certainly wish that we had acted on immigration reform. We did pass under Democratic control a DREAM Act, if the gentleman will recall, in the waning days of the 111th Congress, and did take at least one constructive step with an immigration bill that we brought to the full floor of this House and passed.

I would like to yield 3 minutes to the gentleman from Colorado (Mr. PERLMUTTER), a member of the Financial Services Committee and a former member of the Rules Committee.

Mr. PERLMUTTER. Mr. Speaker, first I want to address H.R. 3309, the Innovation Act, which is generally a good bill. It is trying to deal with issues of nuisance litigation where somebody is sued and the costs of litigation are so extreme that they pay money just to stay away from litigation. That is really the underlying purpose of the bill.

Now, what we have got to make sure of as Members of this House and as Members of the legislature is that we don't advantage one party over another. And the gentleman from California (Mr. ROHRABACHER) made a good point, Mr. Speaker, last night at the Rules Committee that you don't want to disadvantage small inventors who have come up with a good idea or a great product, something very novel, and some major corporation takes that idea or that product away and doesn't pay for it. That is the purpose of patent litigation.

At the same time, you don't want to have some small company that buys a Wi-Fi service all of a sudden getting sued by some company they never heard of and they are saying wait a minute, we are not a patent infringer. I say all of this because the purpose is to have good litigation where there isn't extortion and there isn't theft as the result of some patent infringement.

What is done in this bill, I think, though, is micromanagement of the courtroom and its processes. Each of these cases stands and falls on it own merits, and the courts are best equipped to determine their own rules and their own procedures as to how these cases should move forward.

I am generally going to support this. I offered an amendment which was not adopted by the Rules Committee last night to delay until December of 2015 the effect of section 6 of the bill so that the courts could create their own rules and not have the legislature do it; 100 years ago we passed the Rules Enabling Act which allows the courts to set their own procedure which is then overseen by the legislature. That is sort of discarded in this bill, and we create some very specific rules, and I think that is a mistake, and I think we could have some real winners and losers. And I think the small guy, the small inventor, the small purchaser could be in trouble. So I would just suggest to the House and to the Rules Committee that we do look at delaying so that the courts can offer their own procedure.

I do want to address two other things. It has been over 150 days since we started this legislature. We should be dealing with immigration reform. We are not doing that. And I want to finish my story about the Montez family who are from Arvada, Colorado, who could never get affordable insurance and now are able to under the Affordable Care Act.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POLIS. I yield an additional 30 seconds to the gentleman.

Mr. PERLMUTTER. They have three children. They work two jobs. Neither employer of the mom or dad provides health insurance. Finally, after all these years, they have been able to get health insurance at about $150 using the credits that are available under the

Affordable Care Act and the children's health program that this Congress has passed. These people have health care for the first time in their marriage, which is a couple of decades, and they are very thankful. So this is a good Thanksgiving season for the Montez family of Arvada, Colorado.

Mr. NUGENT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, I support H.R. 3309, the Innovation Act, and the rule we are debating now. This bipartisan legislation brings much-needed reforms to our patent litigation process, which continues to be plagued by patent trolls.

Patent trolls use weak patents to extort millions of dollars from innocent business owners through demand letters and frivolous patent infringement lawsuits. Businesses are forced to decide between years of costly litigation or a settlement.

The number of patent infringement claims has almost doubled in the past 3 years, and The New York Times reported that one lawyer filed patent lawsuits against 1,638 companies in the past 5 years. These lawsuits soak up capital that is better spent on investment, innovation, and job creation.

In fact, a 2012 study by the Boston University School of Law found that patent trolls cost the American economy $80 billion annually. The study also found that defendants paid $29 billion to patent trolls in 2011 alone.

The Innovation Act targets abusive patent litigation while protecting legitimate patent infringement claims. It provides accountability on the front end of litigation by requiring parties to state exactly why they are filing suit. H.R. 3309 also requires parties who file meritless patent claims to pay the attorneys' fees of their victims as a disincentive to pursue their baseless claims.

These reforms are vital to restore accountability and rein in abusive, frivolous, and costly patent lawsuits. I urge my colleagues to support this important legislation, and I thank Chairman GOODLATTE for introducing this bipartisan bill.

Mr. POLIS. I yield 1½ minutes to the gentlewoman from California (Ms. CHU), a member of the Judiciary Committee, one of the key architects and somebody who worked very hard on this bill.

Ms. CHU. Mr. Speaker, I rise today in support of the Innovation Act. This bill will help curb abusive lawsuits brought by patent assertion entities, more commonly known as patent trolls.

Rather than relying on patents to protect investments in new innovative technologies, these actors abuse our patent system. They threaten legitimate businesses and consumers with costly litigation for selling or using a product that falls under their overly broad patent.

The patent system is nothing short of a net for them to cast in hopes of extorting settlement fees. Right now, this scheme is costing our economy $29 billion every year.

While the bill is not perfect, the Innovation Act is a promising first step towards reining in these abusive tactics. I still have concerns with provisions that address fee shifting and the Federal judiciary, and we need to ensure that the Patent Office is fully funded. But this conversation will continue beyond today's vote, and my hope is to see these concerns addressed for the American people.

Mr. NUGENT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise reluctantly to favor the rule because it makes an extremely important amendment, my own and several others, it approves them to come on the floor; but I oppose final passage because even with those amendments, they do not do enough to make this bill worth supporting.

One of the most important amendments is my amendment, as I stated, which would strike the section of this legislation which eliminates for the small inventor, for the independent inventor, the right of judicial review if his case is being mishandled by the patent system. And let me just note that if, indeed, this was to protect, if we were going to protect the little guy, if that was the purpose of this bill, there wouldn't be a question here. But here we are eliminating the little guy's right to even go to court if he is being mistreated by the patent system.

Also, an amendment not made in order was MARCY KAPTUR's amendment which would have, again, protected the little guy. We are being told this protects the little guy; yet they won't allow MARCY KAPTUR's amendment, which is aimed at protecting the little guy, from even coming to a vote.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUGENT. I yield an additional 30 seconds to the gentleman.

Mr. ROHRABACHER. We hear over and over again that this is about patent trolls and hinting that there are illegitimate patents that we are talking about. We are talking about legitimate patents; and the patent troll, let us just note, who is he going against supposedly, it is multinational mega—mega—corporations that routinely infringe on the little guy. Yet MARCY KAPTUR, while trying to protect the rights of the little guy against these giant corporations—like Google—instead, we have not permitted her amendment to come forward.

This is the greatest attack, this bill, on the small inventor that I have ever seen in 25 years. I ask support for the rule, but oppose the bill itself.

Mr. POLIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CÁRDENAS).

Mr. CÁRDENAS. Mr. Speaker, I rise today in support of H.R. 3309, the Innovation Act. This bill will allow businesses of all sizes and in all industries to devote their time and resources to job creation, research and development, and to continue to support the innovation that makes U.S. companies so competitive in our global market.

I have heard from businesses and associations in a cross-section of industries asking for the passage of this bill so they can more fully dedicate themselves to building their businesses and the U.S. economy. I have heard for support for H.R. 3309 from the Motion Picture Association of America and movie studios such as 20th Century Fox who are economic drivers in Los Angeles and all across the country. There are other widespread and bipartisan supporters, such as the U.S. Chamber of Commerce, the National Association of Realtors, the National Association of Broadcasters, which shows how essential patent reform is for American businesses and all industries.

While we can all agree that this is not a perfect bill, its passage will allow our businesses to fuel the U.S. economic recovery rather than battle abusive litigation. I urge my colleagues to support innovation by voting ''yes'' on final passage of the Innovation Act.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, November 20, 2013.

Hon. BOB GOODLATTE,
Chairman, Committee on the Judiciary, House of Representatives. Washington, DC.

DEAR CHAIRMAN GOODLATTE: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, commends you for advancing the patent litigation reform debate by introducing and moving to markup H.R. 3309, the ''Innovation Act.''

The Chamber strongly supports the protection of legitimate intellectual property rights. The patent system fosters innovations and economic growth across a wide variety of industries. The ability for legitimate patent holders to defend their intellectual property is vital to keeping U.S. businesses strong and competitive—both domestically and globally.

At the same time, however, the Chamber is acutely aware of the problems associated with excessive and abusive patent litigation. In too many instances, elements of the plaintiffs' bar leverage the potentially astronomical cost of patent litigation to force abusive and coercive settlements. The Chamber is particularly concerned by the increasing prevalence of third party litigation financing to fund frivolous and abusive patent cases, the increased use of procedural maneuvers designed to further escalate the cost of litigation and force settlements, and the plaintiffs' bar's use of patent demand letters to extract settlements from innocent users and sellers of a product. H.R. 3309 seeks to address these very real patent litigation problems.

While the various concerns raised by elements of the business community with H.R. 3309 will need to be addressed through the overall legislative process, the Chamber is pleased that you are moving this legislation forward. The Chamber views this as a positive development and appreciates your work on this important issue.

The Chamber looks forward to working with you, your congressional colleagues, and other interested stakeholders as H.R. 3309 moves through the legislative process in order to ensure that demonstrable patent litigation abuses are addressed appropriately, while preserving America's strong tradition of protecting intellectual property rights.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President, Government Affairs.

DECEMBER 3, 2013.

Hon. JOHN BOEHNER,
Speaker, House of Representatives.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI: The broad-ranging group of undersigned industries and main street American businesses, responsible for tens of millions of U.S. jobs and hundreds of billions of dollars in economic activity, support passage of the Innovation Act of 2013 (H.R. 3309). We believe this legislation aims to address the widespread abuses of the legal system by certain patent assertion entities, commonly referred to as patent trolls.

During this time of economic need, we believe enactment of H.R. 3309 is integral to curbing frivolous and costly patent litigation that currently hinders our ability to innovate, create jobs and promote positive economic growth. Such frivolous lawsuits by patent trolls are an expensive distraction for many diverse, mainstream American industries, and the staggering growth of patent troll activity in recent years has caused our businesses to receive thousands of threatening demand letters and forced more than 7,000 lawsuits (a 400% increase since 2006), costing the U.S. economy more than $80 billion in 2011 alone.

Simply, patent trolls do not innovate, create jobs or promote economic growth. Our businesses do.

To make clear, patent trolls no longer only threaten large technology companies. In 2012, patent trolls filed more lawsuits against small and medium-sized non-tech businesses than against tech companies. The many targets of this abuse, ranging from food providers, retail stores and media companies to financial institutions, hotels, gaming entertainment companies and other industries that drive the U.S. economy, have been left with no choice but to defend themselves through inefficient and burdensome processes, rarely avoiding costly litigation. We believe American businesses must be able to defend against these consequential attacks more efficiently and less expensively.

While we recognize there may be no single solution that addresses all complexities surrounding our nation's patent process, but one thing is clear: The Innovation Act of 2013 has significant bipartisan support on Capitol Hill and throughout many sectors, small and large, of the American business community. This broad support and willingness to work together is a true testament to its importance and we urge House passage of H.R. 3309.

Sincerely:

Alliance of Automobile Manufacturers; American Gaming Association; American Hotel & Lodging Association; Coalition for Patent Fairness; Competitive Carriers Association; Footwear Distributors & Retailers of America; International Franchise Association; MPA—The Association of Magazine Media; National Association of Broadcasters; National Cable and Telecommunications Association; National Restaurant Association; Newspaper Association of America; Online Publishers Association; Overstock.com, Inc.; Printing Industries of America; The R Street Institute; U.S. Travel Association.

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, December 2, 2013.

Re Support H.R. 3309—Scheduled for Floor Vote This Week.

Hon. JOHN BOEHNER,
Speaker, House of Representatives, U.S. Capitol, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, U.S. Capitol, Washington, DC.

DEAR SPEAKER BOEHNER AND MINORITY LEADER PELOSI, On behalf of the more than one million members of the NATIONAL ASSOCIATION OF REALTORS® (NAR), I urge you to support H.R. 3309, ''the Innovation Act'' (Goodlatte, R–VA), scheduled for a vote on the House floor this week. Our members view the reforms in this bill as an important step in protecting innovators and main street businesses from broad claims of patent infringement based on patents of questionable validity, all brought by non-practicing entities.

NAR, whose members identify themselves as REALTORS®, represents a wide variety of real estate industry professionals. REALTORS® have been early adopters of technology and are industry innovators who understand that consumers today are seeking real estate information and services that are fast, convenient and comprehensive. Increasingly, technology innovations are driving the delivery of real estate services and the future of REALTORS'® businesses.

As technology users, NAR and several of its members recently faced onerous patent infringement litigation over questionable patents dealing with location based search capabilities. These suits were brought by patent holding companies and other non-practicing entities. They were eventually settled in a multi-million dollar settlement. In addition, our broker and agent members are increasingly dealing with demand letters to license commonly used technologies like scanner-copiers and online alert functions. Our members know firsthand that ''patent trolls'' divert significant time and money from their businesses.

The Innovation Act will bring needed reforms to address the troll problem by increasing transparency, and pleading specificity among other things. Taken together, the reforms in the Innovation Act will shift the burden of frivolous litigation from small business defendants to the trolls themselves.

Without needed reforms that assure that asserted patent rights are legitimate and frivolous litigation schemes are curtailed, the ability of businesses owned by REALTORS®, many of which are small businesses, to grow, innovate and better serve modern consumers will be put at risk. NAR supports the reforms in the Innovation Act as a way to rebalance a patent system that is increasingly a target of uncertainty and abuse.

Most REALTORS® are entrepreneurs and small business owners, and we help to create new jobs in our communities. We urge you to vote in favor of The Innovation Act of 2013 so that the threat of patent trolls is mitigated in the future, allowing us to return to our essential mission: to serve our clients.

Sincerely,

STEVE BROWN,
2014 President, National Association of Realtors®.

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

Mr. POLIS. Mr. Speaker, I would like to inquire if the gentleman has any other speakers.

Mr. NUGENT. I do not.

□ 1315

Mr. POLIS. Mr. Speaker, I am prepared to close, so I yield myself such time as I may consume.

The gentleman from Georgia (Mr. COLLINS), rightly asserted that the Democrats did not, in fact, when they were in charge of the legislature in both Chambers, fix our broken immigration system. However, we did pass the DREAM Act. And given that this is football season and I think that my friend, the gentleman from Georgia, perhaps shares affinity for football, that while we did not in fact score a touchdown and fix our broken immigration system, at least the Democrats got a field goal when we were in charge. We are still waiting for the Republicans to match our field goal here if we can't score a touchdown with comprehensive immigration reform, and we look forward to improving these bills that have passed out of the committee before the asbestos bill, before the patent reform bill, and need the work of the full membership of this body to improve them.

Legislation is not like a fine wine, that when it sits in a barrel it improves itself. It needs to be actively worked upon to improve it, and I hope that it is a matter of days or hours or minutes until we can dust off these immigration bills that Chairman GOODLATTE and the Judiciary Committee have worked on and improve upon them so that this body can actually move forward and score a field goal, a touchdown or more, and finally replace our broken immigration system with one that reflects our values as Americans, restores the rule of law, reduces our deficit by $200 billion, creates 6 million jobs for American citizens, secures our borders, and implements workplace enforcement of our immigration system. I am confident that we can do that working together, just as we are working together on these bills that are before us today.

As I indicated earlier, that while the patent bill does harvest some low-hanging fruit, there remains a lot of work to be done to create a 21st century intellectual property protection system for our country.

One such effort was an amendment that I offered, Polis amendment 5, that was not allowed under this rule. This amendment reflects a bill that I sponsor with Mr. MARINO that regards the Demand Letter Transparency Act. Depending on a start-up's resources, even the recipient of one demand letter can even be a death sentence for a small one-, two-, three-person company. The threat of a demand letter alone can jeopardize a company's ability to raise funds, can scare away potential customers, and, God forbid, actually defending a patent lawsuit can cost hundreds of thousands to millions of dollars in legal bills, which to a one-, two-, or three-person company is simply a matter of shutting the doors because they cannot afford to do that.

At the Rules Committee yesterday, I offered my bipartisan amendment based on legislation that I introduced with Representative MARINO and Representative DEUTCH that would provide a comprehensive approach to increasing transparency and accountability in the demand letter process. While our amendment was not made in order, I am grateful we did include at least some slight provisions regarding who owns shell corporations, amendment 4 was allowed. We plan to continue to press forward on the need to address this issue through meaningful legislation.

Our bill would require certain entities to provide additional disclosure information to the PTO and to the demand letter recipient so that these start-ups and mom-and-pop restaurant owners and stores will know who is sending these demand letters and whether the claims they are making are truthful or grounded at all or just a scam.

Our bill would establish a searchable and accessible public registry of demand letters and clarify that the Federal Trade Commission could use its authority to impose civil penalties to go after patent trolls. While the FTC has announced its intent to investigate PAEs, our bill would clarify the FTC's role to use its enforcement powers against PAEs who engage in unfair and deceptive trade practices to find as a violation the provisions of our bill.

Our amendment would prevent patent trolls from hiding behind anonymous shell companies and empower defendants to take collective action and share information and increase reporting so that the regulatory authorities and the PTL are on alert as to which patents are being frivolously asserted by whom.

In conjunction with litigation reforms that are proposed in this underlying bill, our proposal would produce a more robust patent market and a more productive and predictable and competitive economy.

Our proposal is supported by a diverse group of individuals and organizations, including DISH Network, Public Knowledge, the National Restaurant Association, the Electronic Frontier Foundation, the National Retail Federation, the Direct Marketing Association, the Mobile Marketing Association, the Association of American Advertising Agencies, and the Hotel & Lodging Association, among many others.

Mr. Speaker, for once, this body is moving forward on bipartisan legislation that will help spur innovation and economic growth. The first bill that we are considering with regard to private equity will help increase job growth and job creation in our country by removing a regulatory burden that was put in without the proper justification. Private equity funds had nothing to do with the meltdown in 2008 and 2009, nor do they represent any systemic risk to our economy. They simply allow people to aggregate their resources to buy stock equity in companies. We have a cap on the debt equity ratio of two to one, and they do what they do. People earn money and people lose money, and that is how the economy works, but there is absolutely no systemic risk.

Some of these dollar amounts sound high, but what we talked about in the Rules Committee yesterday is that you might have a private equity fund that is $300 million. That sounds like a lot of money. That is the amount of money they have to invest over a period of years. With $300 million, they invest that over 5, 6, or 7 years. That is not their operational budget. Their operational budget is 2 percent or less of that every year. So a $300 million private equity fund might have an annual budget of $6 million.

Again, $6 million sounds like a lot of money. It certainly is. But when compliance with the SEC reform is $500,000, as has been estimated, you are talking about a sizeable percentage of your annual operating budget. So that means you have to hire a couple of people less. You might not be able to do that extra investment that you didn't have the ability to do the diligence in. You might not be able to invest in that additional company and help it grow and create jobs because of regulatory compliance that has nothing to do with systemic risk.

Mr. Speaker, as this session of Congress comes to a close, the first session of the 113th Congress, there is much that this body has left undone. While the other Chamber across the way has acted on overwhelmingly bipartisan measures that help fix our immigration system, saving $200 billion, creating over 6 million jobs, securing our borders, restoring the rule of law, and uniting families, this body has not passed a single bill in that area.

While the other body has passed a bill that would prevent companies from discriminating against gay and lesbian employees with strong bipartisan support, this body has not even brought such a bill to committee or the floor.

While I am pleased to see the bipartisan Innovation Act and Small Business Capital Access and Job Preservation Act come to the floor today, although I would like to see them with a more open process that allowed more ideas from both sides of the aisle to be introduced as amendments, I only hope that a majority of this body sees fit to hold votes on other issues such as immigration reform and employment nondiscrimination, which I am confident would pass the floor of the House today.

As I talk to many tech companies and small businesses in my district, many of the purported beneficiaries of this modest patent reform bill, they support it, but they support immigration reform more. They say, Good job. Now get immigration reform done. That is what I am hearing from employers and businesses in my district. I hope that my colleagues on the other side of the aisle are hearing the same.

Our Nation cannot afford to maintain a 20th century intellectual property protection system in a digital and biological era. This bill does not correct that. It does not change that. It is a modest step forward and an important part of reforming parts of the process that Democrats, Republicans, and many stakeholders can agree are broken.

The measure contains bipartisan balanced proposals, just as H.R. 15 does, the comprehensive immigration reform bill in the House, with over 190 bipartisan sponsors. And just as this bill will continue to incentivize entrepreneurship, so too—times 10, times 100—would comprehensive immigration reform, which includes a start-up visa that allows entrepreneurs who have already received commitments of investment to come to this country and create their jobs here. We are turning jobs for Americans away every day we fail to act on immigration reform. We can bring H.R. 15 to the Rules Committee and to the floor of the House next week or we can stay the following week and give this body the opportunity to send a bill to President Obama's desk to finally replace our broken immigration system with one that works.

Mr. Speaker, if we defeat the previous question, I will offer an amendment to the rule to bring up House Resolution 424, Ranking Member SLAUGHTER's resolution, that prohibits an adjournment of the House until we adopt a budget conference report. This body should not adjourn until we have completed a budget conference report that could help prevent a second government shutdown and prevent a fiscal crisis.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

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

There was no objection.

Mr. POLIS. Mr. Speaker, while I am actively encouraging Members on both sides of the aisle to get behind the Innovation Act and the Small Business Capital Access and Job Preservation Act, I must urge my colleagues to vote ''no'' and defeat the previous question, as well as a ''no'' vote on the restrictive rule.

I hope that we can send the message that we need to bring immigration reform to the floor of this House, rather than let the four bills that have already emerged out of committee stay sitting and aging and not getting any better while we fast-track asbestos and while we fast-track modest patent reforms.

The time has come to act on immigration reform. Please join me on voting ''no'' on the previous question and ''no'' on the rule.

I yield back the balance of my time.

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

I am speaking to some of the comments that were made, particularly as it relates to football. We talked about a field goal and 3 points, but here is the position that the majority has taken in the House as it relates to immigration. It is about first downs. It is about moving the ball forward in measured steps, about getting it right the first time, not going through what we have gone through with these huge bills.

Mr. POLIS. Will the gentleman yield?

Mr. NUGENT. I yield to the gentleman from Colorado.

Mr. POLIS. It seems more like we have been in a timeout for 3 months since these bills have passed committee.

Mr. NUGENT. Reclaiming my time, it takes time, as you know, to move meaningful legislation through and to get it right the first time.

You have to live with some things when you have these megabills with thousands of pages, such as a 1,000-page immigration bill or 2,500 pages for the Affordable Care Act. At the end of the day, let's do this in a reasonable approach, because we want immigration reform, because we know we have a broken immigration system. We absolutely know that. I think this House has taken the right approach in doing things in a measured way to get first downs until we get to the end zone where we all want to be.

As we notice on this bill, even though there is strong bipartisan support on both of these pieces of legislation, we still have some that aren't happy because sometimes bills never get to exactly where everybody wants them to be. I get that. In a perfect world, we would get everything we want. It is not a perfect world. We don't get everything we want. But it is about moving the ball forward, and I think that my good friend from Colorado has talked eloquently about the issues as relate to patent reform and private equity because I know he has been part of that world. He speaks from experience in those areas.

Is it everything that you want? Probably not. We have heard from the chairman of the committee that it is not everything he wants. But it is a step in the right direction. It is moving the ball forward. It is getting the first down. It is moving it so that we can win the game—not a political party, but the American people. Consumers can win. The holders of patents can win. That is what this is all about.

With regard to demand letters, I lived through this as a sheriff. We used to get demand letters that we were going to get sued, and the whole idea behind it was the fact that they thought we would settle for $30,000 or $40,000 to make them go away. Here is what happened.

The sheriffs got smart, and they put together a consortium of sheriffs, 60 out of 67, in a sheriffs self-insurance fund. Guess what? We changed the tables and the dynamics in regard to it just as this bill will do. What we did was say, Guess what? We are no longer going to be blackmailed into giving money. On a legitimate case, you are going to settle; but on a case that is frivolous, we would say, No thanks. Let's go to trial. They never want to do that because it is expensive on their end, too, particularly when they could wind up paying for that.

Mr. Speaker, a lot has been said today, and I think a lot more is going to be said after we pass this rule. As we talk about what I think is fair, that abusive patent litigation is a growing problem—we have heard that from both sides today.

□ 1330

Under current patent systems, small businesses and startups simply don't have the resources to compete with the patent trolls. They are easy targets. They routinely settle, regardless of the merits of the case, to avoid hefty legal costs.

We understand that, therefore, it is important that we level the playing field for our innovators, our innovators that actually create something, an idea out of thin air, and create something that can be turned into jobs in the future.

Regardless of where the Members of this body fall on the underlying legislation, it seems that we are all in agreement that we need to combat this destructive practice.

We are also in agreement that we need jobs. The rule provides for consideration of a bill that will give small companies more access to capital, more opportunities to grow, more opportunities to create jobs. The rule makes in order important germane amendments addressing this.

Mr. Speaker, we heard a call to vote ''no'' on the rule for other reasons. Let's talk about creating jobs in America. Let's talk about protecting our innovators.

Let's not get caught up in the politics of the day. Let's do the right thing for the American people today, the thing that is going to be heard today in this House. Let's vote on a rule, and let's pass that rule. I support this rule, and I encourage my colleagues to vote ''yes'' on the rule as well.

The material previously referred to by Mr. POLIS is as follows:

AN AMENDMENT TO H. RES. 429 OFFERED BY MR. POLIS OF COLORADO

At the end of the resolution, add the following new section:

SEC. 3. Immediately upon adoption of this resolution, the House shall proceed to the consideration of the resolution (H. Res. 424) prohibiting the consideration of a concurrent resolution providing for adjournment unless the House has adopted a conference report on the budget resolution by December 13, 2013, if called up by Representative Slaughter of New York or her designee. All points of order against the resolution and against its consideration are waived.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

The Republican majority may say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. NUGENT. Mr. Speaker, with that I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. POLIS. 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.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 32 minutes p.m.), the House stood in recess.

□ 1402

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WOMACK) at 2 o'clock and 2 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

The question on ordering the previous question on House Resolution 429; and

Adoption of the resolution, if ordered.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic vote will be conducted as a 5-minute vote.

PROVIDING FOR CONSIDERATION OF H.R. 3309, INNOVATION ACT; AND PROVIDING FOR CONSIDERATION OF H.R. 1105, SMALL BUSINESS CAPITAL ACCESS AND JOB PRESERVATION ACT

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on the resolution (H. Res. 429) providing for consideration of the bill (H.R. 3309) to amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes; and (H.R. 1105) to amend the Investment Advisers Act of 1940 to provide a registration exemption for private equity fund advisers, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The vote was taken by electronic device, and there were—yeas 220, nays 194, not voting 17, as follows:

[Roll No. 618]

YEAS—220

Aderholt
Amash
Amodei
Bachmann
Bachus
Barletta
Barr
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Cantor
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman
Cole
Collins (GA)
Collins (NY)
Conaway
Cook
Cotton
Cramer
Crawford
Crenshaw
Daines
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Heck (NV)
Hensarling
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce
Kelly (PA)
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
LaMalfa
Lamborn
Lance
Lankford
Latham
Latta
LoBiondo
Long
Lucas
Luetkemeyer
Marchant
Marino
Massie
McAllister
McCarthy (CA)
McCaul
McClintock
McHenry
McKeon
McKinley
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Noem
Nugent
Nunes
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Perry
Petri
Pittenger
Pitts
Poe (TX)
Pompeo
Posey
Price (GA)
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross
Rothfus
Royce
Runyan
Ryan (WI)
Salmon
Sanford
Scalise
Schock
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stewart
Stivers
Stutzman
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walorski
Weber (TX)
Webster (FL)
Wenstrup
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IN)

NAYS—194

Andrews
Barber
Barrow (GA)
Bass
Beatty
Becerra
Bera (CA)
Bishop (NY)
Blumenauer
Bonamici
Brady (PA)
Braley (IA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu
Cicilline
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Deutch
Dingell
Doggett
Doyle
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Garcia
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hanabusa
Hastings (FL)
Heck (WA)
Higgins
Himes
Hinojosa
Holt
Honda
Horsford
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maffei
Maloney, Carolyn
Maloney, Sean
Matheson
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Meng
Michaud
Miller, George
Moore
Moran
Murphy (FL)
Nadler
Napolitano
Neal
Negrete McLeod
Nolan
O'Rourke
Owens
Pallone
Pascrell
Pastor (AZ)
Payne
Pelosi
Perlmutter
Peters (CA)
Peters (MI)
Peterson
Pingree (ME)
Pocan
Polis
Price (NC)
Quigley
Rahall
Rangel
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—17

Bishop (GA)
Campbell
Culberson
Enyart
Gingrey (GA)
Graves (MO)
Grayson
Herrera Beutler
Lummis
McCarthy (NY)
McMorris Rodgers
Miller, Gary
Radel
Reed
Rush
Sires
Stockman

□ 1428

Messrs. O'ROURKE, LEVIN, JOHNSON of Georgia, DEUTCH, and BEN RAY LUJÁN of New Mexico changed their vote from ''yea'' to ''nay.''

Mr. POE of Texas changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. POLIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 229, noes 185, not voting 17, as follows:

[Roll No. 619]

AYES—229

Aderholt
Amash
Amodei
Bachmann
Bachus
Barber
Barletta
Barr
Barton
Benishek
Bentivolio
Bilirakis
Bishop (UT)
Black
Blackburn
Boustany
Brady (TX)
Bridenstine
Brooks (AL)
Brooks (IN)
Broun (GA)
Buchanan
Bucshon
Burgess
Calvert
Camp
Cantor