

1 **TITLE IV—INVENTOR**
2 **PROTECTION**

3 **SEC. 4001. SHORT TITLE.**

4 This title may be cited as the “American Inventors
5 Protection Act of 1999”.

6 **Subtitle A—Inventors’ Rights**

7 **SEC. 4101. SHORT TITLE.**

8 This subtitle may be cited as the “Inventors’ Rights
9 Act of 1999”.

10 **SEC. 4102. INTEGRITY IN INVENTION PROMOTION SERV-**
11 **ICES.**

12 (a) IN GENERAL.—Chapter 29 of title 35, United
13 States Code, is amended by adding at the end the fol-
14 lowing new section:

15 **“§ 297. Improper and deceptive invention promotion**

16 “(a) IN GENERAL.—An invention promoter shall
17 have a duty to disclose the following information to a cus-
18 tomer in writing, prior to entering into a contract for in-
19 vention promotion services:

20 “(1) the total number of inventions evaluated
21 by the invention promoter for commercial potential
22 in the past 5 years, as well as the number of those
23 inventions that received positive evaluations, and the
24 number of those inventions that received negative
25 evaluations;

1 “(2) the total number of customers who have
2 contracted with the invention promoter in the past
3 5 years, not including customers who have pur-
4 chased trade show services, research, advertising, or
5 other nonmarketing services from the invention pro-
6 moter, or who have defaulted in their payment to
7 the invention promoter;

8 “(3) the total number of customers known by
9 the invention promoter to have received a net finan-
10 cial profit as a direct result of the invention pro-
11 motion services provided by such invention promoter;

12 “(4) the total number of customers known by
13 the invention promoter to have received license
14 agreements for their inventions as a direct result of
15 the invention promotion services provided by such
16 invention promoter; and

17 “(5) the names and addresses of all previous in-
18 vention promotion companies with which the inven-
19 tion promoter or its officers have collectively or indi-
20 vidually been affiliated in the previous 10 years.

21 “(b) CIVIL ACTION.—(1) Any customer who enters
22 into a contract with an invention promoter and who is
23 found by a court to have been injured by any material
24 false or fraudulent statement or representation, or any
25 omission of material fact, by that invention promoter (or

1 any agent, employee, director, officer, partner, or inde-
2 pendent contractor of such invention promoter), or by the
3 failure of that invention promoter to disclose such infor-
4 mation as required under subsection (a), may recover in
5 a civil action against the invention promoter (or the offi-
6 cers, directors, or partners of such invention promoter),
7 in addition to reasonable costs and attorneys' fees—

8 “(A) the amount of actual damages incurred by
9 the customer; or

10 “(B) at the election of the customer at any time
11 before final judgment is rendered, statutory damages
12 in a sum of not more than \$5,000, as the court con-
13 siders just.

14 “(2) Notwithstanding paragraph (1), in a case where
15 the customer sustains the burden of proof, and the court
16 finds, that the invention promoter intentionally misrepre-
17 sented or omitted a material fact to such customer, or will-
18 fully failed to disclose such information as required under
19 subsection (a), with the purpose of deceiving that cus-
20 tomer, the court may increase damages to not more than
21 three times the amount awarded, taking into account past
22 complaints made against the invention promoter that re-
23 sulted in regulatory sanctions or other corrective actions
24 based on those records compiled by the Commissioner of
25 Patents under subsection (d).

1 “(c) DEFINITIONS.—For purposes of this section—

2 “(1) a ‘contract for invention promotion serv-
3 ices’ means a contract by which an invention pro-
4 moter undertakes invention promotion services for a
5 customer;

6 “(2) a ‘customer’ is any individual who enters
7 into a contract with an invention promoter for inven-
8 tion promotion services;

9 “(3) the term ‘invention promoter’ means any
10 person, firm, partnership, corporation, or other enti-
11 ty who offers to perform or performs invention pro-
12 motion services for, or on behalf of, a customer, and
13 who holds itself out through advertising in any mass
14 media as providing such services, but does not
15 include—

16 “(A) any department or agency of the Fed-
17 eral Government or of a State or local govern-
18 ment;

19 “(B) any nonprofit, charitable, scientific,
20 or educational organization, qualified under ap-
21 plicable State law or described under section
22 170(b)(1)(A) of the Internal Revenue Code of
23 1986;

24 “(C) any person or entity involved in the
25 evaluation to determine commercial potential of,

1 or offering to license or sell, a utility patent or
2 a previously filed nonprovisional utility patent
3 application;

4 “(D) any party participating in a trans-
5 action involving the sale of the stock or assets
6 of a business; or

7 “(E) any party who directly engages in the
8 business of retail sales of products or the dis-
9 tribution of products; and

10 “(4) the term ‘invention promotion services’
11 means the procurement or attempted procurement
12 for a customer of a firm, corporation, or other entity
13 to develop and market products or services that in-
14 clude the invention of the customer.

15 “(d) RECORDS OF COMPLAINTS.—

16 “(1) RELEASE OF COMPLAINTS.—The Commis-
17 sioner of Patents shall make all complaints received
18 by the Patent and Trademark Office involving inven-
19 tion promoters publicly available, together with any
20 response of the invention promoters. The Commis-
21 sioner of Patents shall notify the invention promoter
22 of a complaint and provide a reasonable opportunity
23 to reply prior to making such complaint publicly
24 available.

1 (b) REISSUE FEE.—Section 41(a)(4)(A) of title 35,
2 United States Code, relating to the fee for filing for a re-
3 issue of a patent, is amended by striking “\$760” and in-
4 serting “\$690”.

5 (c) NATIONAL FEE FOR CERTAIN INTERNATIONAL
6 APPLICATIONS.—Section 41(a)(10) of title 35, United
7 States Code, relating to the national fee for certain inter-
8 national applications, is amended by striking “\$760” and
9 inserting “\$690”.

10 (d) MAINTENANCE FEES.—Section 41(b)(1) of title
11 35, United States Code, relating to certain maintenance
12 fees, is amended by striking “\$940” and inserting
13 “\$830”.

14 **SEC. 4203. ADJUSTMENT OF TRADEMARK FEES.**

15 Notwithstanding the second sentence of section 31(a)
16 of the Trademark Act of 1946 (15 U.S.C. 111(a)), the
17 Under Secretary of Commerce for Intellectual Property
18 and Director of the United States Patent and Trademark
19 Office is authorized in fiscal year 2000 to adjust trade-
20 mark fees without regard to fluctuations in the Consumer
21 Price Index during the preceding 12 months.

22 **SEC. 4204. STUDY ON ALTERNATIVE FEE STRUCTURES.**

23 The Under Secretary of Commerce for Intellectual
24 Property and Director of the United States Patent and
25 Trademark Office shall conduct a study of alternative fee

1 structures that could be adopted by the United States Pat-
2 ent and Trademark Office to encourage maximum partici-
3 pation by the inventor community in the United States.
4 The Director shall submit such study to the Committees
5 on the Judiciary of the House of Representatives and the
6 Senate not later than 1 year after the date of the enact-
7 ment of this Act.

8 **SEC. 4205. PATENT AND TRADEMARK OFFICE FUNDING.**

9 Section 42(c) of title 35, United States Code, is
10 amended in the second sentence—

11 (1) by striking “Fees available” and inserting
12 “All fees available”; and

13 (2) by striking “may” and inserting “shall”.

14 **SEC. 4206. EFFECTIVE DATE.**

15 (a) IN GENERAL.—Except as provided in subsection
16 (b), the amendments made by this subtitle shall take effect
17 on the date of the enactment of this Act.

18 (b) SECTION 4202.—The amendments made by sec-
19 tion 4202 of this subtitle shall take effect 30 days after
20 the date of the enactment of this Act.

21 **Subtitle C—First Inventor Defense**

22 **SEC. 4301. SHORT TITLE.**

23 This subtitle may be cited as the “First Inventor De-
24 fense Act of 1999”.

1 **SEC. 4302. DEFENSE TO PATENT INFRINGEMENT BASED ON**
2 **EARLIER INVENTOR.**

3 (a) DEFENSE.—Chapter 28 of title 35, United States
4 Code, is amended by adding at the end the following new
5 section:

6 **“§ 273. Defense to infringement based on earlier in-**
7 **ventor**

8 “(a) DEFINITIONS.—For purposes of this section—

9 “(1) the terms ‘commercially used’ and ‘com-
10 mercial use’ mean use of a method in the United
11 States, so long as such use is in connection with an
12 internal commercial use or an actual arm’s-length
13 sale or other arm’s-length commercial transfer of a
14 useful end result, whether or not the subject matter
15 at issue is accessible to or otherwise known to the
16 public, except that the subject matter for which com-
17 mercial marketing or use is subject to a premar-
18 keting regulatory review period during which the
19 safety or efficacy of the subject matter is estab-
20 lished, including any period specified in section
21 156(g), shall be deemed ‘commercially used’ and in
22 ‘commercial use’ during such regulatory review pe-
23 riod;

24 “(2) in the case of activities performed by a
25 nonprofit research laboratory, or nonprofit entity
26 such as a university, research center, or hospital, a

1 use for which the public is the intended beneficiary
2 shall be considered to be a use described in para-
3 graph (1), except that the use—

4 “(A) may be asserted as a defense under
5 this section only for continued use by and in
6 the laboratory or nonprofit entity; and

7 “(B) may not be asserted as a defense
8 with respect to any subsequent commercializa-
9 tion or use outside such laboratory or nonprofit
10 entity;

11 “(3) the term ‘method’ means a method of
12 doing or conducting business; and

13 “(4) the ‘effective filing date’ of a patent is the
14 earlier of the actual filing date of the application for
15 the patent or the filing date of any earlier United
16 States, foreign, or international application to which
17 the subject matter at issue is entitled under section
18 119, 120, or 365 of this title.

19 “(b) DEFENSE TO INFRINGEMENT.—

20 “(1) IN GENERAL.—It shall be a defense to an
21 action for infringement under section 271 of this
22 title with respect to any subject matter that would
23 otherwise infringe one or more claims for a method
24 in the patent being asserted against a person, if
25 such person had, acting in good faith, actually re-

1 duced the subject matter to practice at least 1 year
2 before the effective filing date of such patent, and
3 commercially used the subject matter before the ef-
4 fective filing date of such patent.

5 “(2) EXHAUSTION OF RIGHT.—The sale or
6 other disposition of a useful end product produced
7 by a patented method, by a person entitled to assert
8 a defense under this section with respect to that use-
9 ful end result shall exhaust the patent owner’s rights
10 under the patent to the extent such rights would
11 have been exhausted had such sale or other disposi-
12 tion been made by the patent owner.

13 “(3) LIMITATIONS AND QUALIFICATIONS OF DE-
14 FENSE.—The defense to infringement under this
15 section is subject to the following:

16 “(A) PATENT.—A person may not assert
17 the defense under this section unless the inven-
18 tion for which the defense is asserted is for a
19 method.

20 “(B) DERIVATION.—A person may not as-
21 sert the defense under this section if the subject
22 matter on which the defense is based was de-
23 rived from the patentee or persons in privity
24 with the patentee.

1 “(C) NOT A GENERAL LICENSE.—The de-
2 fense asserted by a person under this section is
3 not a general license under all claims of the
4 patent at issue, but extends only to the specific
5 subject matter claimed in the patent with re-
6 spect to which the person can assert a defense
7 under this chapter, except that the defense shall
8 also extend to variations in the quantity or vol-
9 ume of use of the claimed subject matter, and
10 to improvements in the claimed subject matter
11 that do not infringe additional specifically
12 claimed subject matter of the patent.

13 “(4) BURDEN OF PROOF.—A person asserting
14 the defense under this section shall have the burden
15 of establishing the defense by clear and convincing
16 evidence.

17 “(5) ABANDONMENT OF USE.—A person who
18 has abandoned commercial use of subject matter
19 may not rely on activities performed before the date
20 of such abandonment in establishing a defense under
21 this section with respect to actions taken after the
22 date of such abandonment.

23 “(6) PERSONAL DEFENSE.—The defense under
24 this section may be asserted only by the person who
25 performed the acts necessary to establish the defense

1 and, except for any transfer to the patent owner, the
2 right to assert the defense shall not be licensed or
3 assigned or transferred to another person except as
4 an ancillary and subordinate part of a good faith as-
5 signment or transfer for other reasons of the entire
6 enterprise or line of business to which the defense
7 relates.

8 “(7) LIMITATION ON SITES.—A defense under
9 this section, when acquired as part of a good faith
10 assignment or transfer of an entire enterprise or line
11 of business to which the defense relates, may only be
12 asserted for uses at sites where the subject matter
13 that would otherwise infringe one or more of the
14 claims is in use before the later of the effective filing
15 date of the patent or the date of the assignment or
16 transfer of such enterprise or line of business.

17 “(8) UNSUCCESSFUL ASSERTION OF DE-
18 FENSE.—If the defense under this section is pleaded
19 by a person who is found to infringe the patent and
20 who subsequently fails to demonstrate a reasonable
21 basis for asserting the defense, the court shall find
22 the case exceptional for the purpose of awarding at-
23 torney fees under section 285 of this title.

24 “(9) INVALIDITY.—A patent shall not be
25 deemed to be invalid under section 102 or 103 of

1 this title solely because a defense is raised or estab-
 2 lished under this section.”.

3 (b) CONFORMING AMENDMENT.—The table of sec-
 4 tions at the beginning of chapter 28 of title 35, United
 5 States Code, is amended by adding at the end the fol-
 6 lowing new item:

“273. Defense to infringement based on earlier inventor.”.

7 **SEC. 4303. EFFECTIVE DATE AND APPLICABILITY.**

8 This subtitle and the amendments made by this sub-
 9 title shall take effect on the date of the enactment of this
 10 Act, but shall not apply to any action for infringement
 11 that is pending on such date of enactment or with respect
 12 to any subject matter for which an adjudication of in-
 13 fringement, including a consent judgment, has been made
 14 before such date of enactment.

15 **Subtitle D—Patent Term**
 16 **Guarantee**

17 **SEC. 4401. SHORT TITLE.**

18 This subtitle may be cited as the “Patent Term Guar-
 19 antee Act of 1999”.

20 **SEC. 4402. PATENT TERM GUARANTEE AUTHORITY.**

21 (a) ADJUSTMENT OF PATENT TERM.—Section
 22 154(b) of title 35, United States Code, is amended to read
 23 as follows:

24 “(b) ADJUSTMENT OF PATENT TERM.—

25 “(1) PATENT TERM GUARANTEES.—

1 “(A) GUARANTEE OF PROMPT PATENT
2 AND TRADEMARK OFFICE RESPONSES.—Subject
3 to the limitations under paragraph (2), if the
4 issue of an original patent is delayed due to the
5 failure of the Patent and Trademark Office
6 to—

7 “(i) provide at least one of the notifi-
8 cations under section 132 of this title or a
9 notice of allowance under section 151 of
10 this title not later than 14 months after—

11 “(I) the date on which an appli-
12 cation was filed under section 111(a)
13 of this title; or

14 “(II) the date on which an inter-
15 national application fulfilled the re-
16 quirements of section 371 of this title;

17 “(ii) respond to a reply under section
18 132, or to an appeal taken under section
19 134, within 4 months after the date on
20 which the reply was filed or the appeal was
21 taken;

22 “(iii) act on an application within 4
23 months after the date of a decision by the
24 Board of Patent Appeals and Interferences
25 under section 134 or 135 or a decision by

1 a Federal court under section 141, 145, or
2 146 in a case in which allowable claims re-
3 main in the application; or

4 “(iv) issue a patent within 4 months
5 after the date on which the issue fee was
6 paid under section 151 and all outstanding
7 requirements were satisfied,

8 the term of the patent shall be extended 1 day
9 for each day after the end of the period speci-
10 fied in clause (i), (ii), (iii), or (iv), as the case
11 may be, until the action described in such
12 clause is taken.

13 “(B) GUARANTEE OF NO MORE THAN 3-
14 YEAR APPLICATION PENDENCY.—Subject to the
15 limitations under paragraph (2), if the issue of
16 an original patent is delayed due to the failure
17 of the United States Patent and Trademark Of-
18 fice to issue a patent within 3 years after the
19 actual filing date of the application in the
20 United States, not including—

21 “(i) any time consumed by continued
22 examination of the application requested
23 by the applicant under section 132(b);

24 “(ii) any time consumed by a pro-
25 ceeding under section 135(a), any time

1 consumed by the imposition of an order
2 under section 181, or any time consumed
3 by appellate review by the Board of Patent
4 Appeals and Interferences or by a Federal
5 court; or

6 “(iii) any delay in the processing of
7 the application by the United States Pat-
8 ent and Trademark Office requested by the
9 applicant except as permitted by paragraph
10 (3)(C),

11 the term of the patent shall be extended 1 day
12 for each day after the end of that 3-year period
13 until the patent is issued.

14 “(C) GUARANTEE OR ADJUSTMENTS FOR
15 DELAYS DUE TO INTERFERENCES, SECRECY OR-
16 DERS, AND APPEALS.—Subject to the limita-
17 tions under paragraph (2), if the issue of an
18 original patent is delayed due to—

19 “(i) a proceeding under section
20 135(a);

21 “(ii) the imposition of an order under
22 section 181; or

23 “(iii) appellate review by the Board of
24 Patent Appeals and Interferences or by a
25 Federal court in a case in which the patent

1 was issued under a decision in the review
2 reversing an adverse determination of pat-
3 entability,

4 the term of the patent shall be extended 1 day
5 for each day of the pendency of the proceeding,
6 order, or review, as the case may be.

7 “(2) LIMITATIONS.—

8 “(A) IN GENERAL.—To the extent that pe-
9 riods of delay attributable to grounds specified
10 in paragraph (1) overlap, the period of any ad-
11 justment granted under this subsection shall
12 not exceed the actual number of days the
13 issuance of the patent was delayed.

14 “(B) DISCLAIMED TERM.—No patent the
15 term of which has been disclaimed beyond a
16 specified date may be adjusted under this sec-
17 tion beyond the expiration date specified in the
18 disclaimer.

19 “(C) REDUCTION OF PERIOD OF ADJUST-
20 MENT.—

21 “(i) The period of adjustment of the
22 term of a patent under paragraph (1) shall
23 be reduced by a period equal to the period
24 of time during which the applicant failed

1 to engage in reasonable efforts to conclude
2 prosecution of the application.

3 “(ii) With respect to adjustments to
4 patent term made under the authority of
5 paragraph (1)(B), an applicant shall be
6 deemed to have failed to engage in reason-
7 able efforts to conclude processing or ex-
8 amination of an application for the cumu-
9 lative total of any periods of time in excess
10 of 3 months that are taken to respond to
11 a notice from the Office making any rejec-
12 tion, objection, argument, or other request,
13 measuring such 3-month period from the
14 date the notice was given or mailed to the
15 applicant.

16 “(iii) The Director shall prescribe reg-
17 ulations establishing the circumstances
18 that constitute a failure of an applicant to
19 engage in reasonable efforts to conclude
20 processing or examination of an applica-
21 tion.

22 “(3) PROCEDURES FOR PATENT TERM ADJUST-
23 MENT DETERMINATION.—

24 “(A) The Director shall prescribe regula-
25 tions establishing procedures for the application

1 for and determination of patent term adjust-
2 ments under this subsection.

3 “(B) Under the procedures established
4 under subparagraph (A), the Director shall—

5 “(i) make a determination of the pe-
6 riod of any patent term adjustment under
7 this subsection, and shall transmit a notice
8 of that determination with the written no-
9 tice of allowance of the application under
10 section 151; and

11 “(ii) provide the applicant one oppor-
12 tunity to request reconsideration of any
13 patent term adjustment determination
14 made by the Director.

15 “(C) The Director shall reinstate all or
16 part of the cumulative period of time of an ad-
17 justment under paragraph (2)(C) if the appli-
18 cant, prior to the issuance of the patent, makes
19 a showing that, in spite of all due care, the ap-
20 plicant was unable to respond within the 3-
21 month period, but in no case shall more than
22 three additional months for each such response
23 beyond the original 3-month period be rein-
24 stated.

1 “(D) The Director shall proceed to grant
2 the patent after completion of the Director’s de-
3 termination of a patent term adjustment under
4 the procedures established under this sub-
5 section, notwithstanding any appeal taken by
6 the applicant of such determination.

7 “(4) APPEAL OF PATENT TERM ADJUSTMENT
8 DETERMINATION.—

9 “(A) An applicant dissatisfied with a de-
10 termination made by the Director under para-
11 graph (3) shall have remedy by a civil action
12 against the Director filed in the United States
13 District Court for the District of Columbia
14 within 180 days after the grant of the patent.
15 Chapter 7 of title 5, United States Code, shall
16 apply to such action. Any final judgment result-
17 ing in a change to the period of adjustment of
18 the patent term shall be served on the Director,
19 and the Director shall thereafter alter the term
20 of the patent to reflect such change.

21 “(B) The determination of a patent term
22 adjustment under this subsection shall not be
23 subject to appeal or challenge by a third party
24 prior to the grant of the patent.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 282 of title 35, United States Code,
2 is amended in the fourth paragraph by striking “156
3 of this title” and inserting “154(b) or 156 of this
4 title”.

5 (2) Section 1295(a)(4)(C) of title 28, United
6 States Code, is amended by striking “145 or 146”
7 and inserting “145, 146, or 154(b)”.

8 **SEC. 4403. CONTINUED EXAMINATION OF PATENT APPLICA-**
9 **TIONS.**

10 Section 132 of title 35, United States Code, is
11 amended—

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

14 (2) by adding at the end the following:

15 “(b) The Director shall prescribe regulations to pro-
16 vide for the continued examination of applications for pat-
17 ent at the request of the applicant. The Director may es-
18 tablish appropriate fees for such continued examination
19 and shall provide a 50 percent reduction in such fees for
20 small entities that qualify for reduced fees under section
21 41(h)(1) of this title.”.

22 **SEC. 4404. TECHNICAL CLARIFICATION.**

23 Section 156(a) of title 35, United States Code, is
24 amended in the matter preceding paragraph (1) by insert-
25 ing “, which shall include any patent term adjustment

1 granted under section 154(b),” after “the original expira-
2 tion date of the patent”.

3 **SEC. 4405. EFFECTIVE DATE.**

4 (a) AMENDMENTS MADE BY SECTIONS 4402 AND
5 4404.—The amendments made by sections 4402 and
6 4404 shall take effect on the date that is 6 months after
7 the date of the enactment of this Act and, except for a
8 design patent application filed under chapter 16 of title
9 35, United States Code, shall apply to any application
10 filed on or after the date that is 6 months after the date
11 of the enactment of this Act.

12 (b) AMENDMENTS MADE BY SECTION 4403.—The
13 amendments made by section 4403—

14 (1) shall take effect on the date that is 6
15 months after the date of the enactment of this Act,
16 and shall apply to all applications filed under section
17 111(a) of title 35, United States Code, on or after
18 June 8, 1995, and all applications complying with
19 section 371 of title 35, United States Code, that re-
20 sulted from international applications filed on or
21 after June 8, 1995; and

22 (2) do not apply to applications for design pat-
23 ents under chapter 16 of title 35, United States
24 Code.

1 **Subtitle E—Domestic Publication**
2 **of Patent Applications Pub-**
3 **lished Abroad**

4 **SEC. 4501. SHORT TITLE.**

5 This subtitle may be cited as the “Domestic Publica-
6 tion of Foreign Filed Patent Applications Act of 1999”.

7 **SEC. 4502. PUBLICATION.**

8 (a) PUBLICATION.—Section 122 of title 35, United
9 States Code, is amended to read as follows:

10 **“§ 122. Confidential status of applications; publica-**
11 **tion of patent applications**

12 “(a) CONFIDENTIALITY.—Except as provided in sub-
13 section (b), applications for patents shall be kept in con-
14 fidence by the Patent and Trademark Office and no infor-
15 mation concerning the same given without authority of the
16 applicant or owner unless necessary to carry out the provi-
17 sions of an Act of Congress or in such special cir-
18 cumstances as may be determined by the Director.

19 “(b) PUBLICATION.—

20 “(1) IN GENERAL.—(A) Subject to paragraph
21 (2), each application for a patent shall be published,
22 in accordance with procedures determined by the Di-
23 rector, promptly after the expiration of a period of
24 18 months from the earliest filing date for which a
25 benefit is sought under this title. At the request of

1 the applicant, an application may be published ear-
2 lier than the end of such 18-month period.

3 “(B) No information concerning published pat-
4 ent applications shall be made available to the public
5 except as the Director determines.

6 “(C) Notwithstanding any other provision of
7 law, a determination by the Director to release or
8 not to release information concerning a published
9 patent application shall be final and nonreviewable.

10 “(2) EXCEPTIONS.—(A) An application shall
11 not be published if that application is—

12 “(i) no longer pending;

13 “(ii) subject to a secrecy order under sec-
14 tion 181 of this title;

15 “(iii) a provisional application filed under
16 section 111(b) of this title; or

17 “(iv) an application for a design patent
18 filed under chapter 16 of this title.

19 “(B)(i) If an applicant makes a request upon
20 filing, certifying that the invention disclosed in the
21 application has not and will not be the subject of an
22 application filed in another country, or under a mul-
23 tilateral international agreement, that requires publi-
24 cation of applications 18 months after filing, the ap-

1 plication shall not be published as provided in para-
2 graph (1).

3 “(ii) An applicant may rescind a request made
4 under clause (i) at any time.

5 “(iii) An applicant who has made a request
6 under clause (i) but who subsequently files, in a for-
7 eign country or under a multilateral international
8 agreement specified in clause (i), an application di-
9 rected to the invention disclosed in the application
10 filed in the Patent and Trademark Office, shall no-
11 tify the Director of such filing not later than 45
12 days after the date of the filing of such foreign or
13 international application. A failure of the applicant
14 to provide such notice within the prescribed period
15 shall result in the application being regarded as
16 abandoned, unless it is shown to the satisfaction of
17 the Director that the delay in submitting the notice
18 was unintentional.

19 “(iv) If an applicant rescinds a request made
20 under clause (i) or notifies the Director that an ap-
21 plication was filed in a foreign country or under a
22 multilateral international agreement specified in
23 clause (i), the application shall be published in ac-
24 cordance with the provisions of paragraph (1) on or

1 as soon as is practical after the date that is specified
2 in clause (i).

3 “(v) If an applicant has filed applications in
4 one or more foreign countries, directly or through a
5 multilateral international agreement, and such for-
6 eign filed applications corresponding to an applica-
7 tion filed in the Patent and Trademark Office or the
8 description of the invention in such foreign filed ap-
9 plications is less extensive than the application or
10 description of the invention in the application filed
11 in the Patent and Trademark Office, the applicant
12 may submit a redacted copy of the application filed
13 in the Patent and Trademark Office eliminating any
14 part or description of the invention in such applica-
15 tion that is not also contained in any of the cor-
16 responding applications filed in a foreign country.
17 The Director may only publish the redacted copy of
18 the application unless the redacted copy of the appli-
19 cation is not received within 16 months after the
20 earliest effective filing date for which a benefit is
21 sought under this title. The provisions of section
22 154(d) shall not apply to a claim if the description
23 of the invention published in the redacted applica-
24 tion filed under this clause with respect to the claim

1 does not enable a person skilled in the art to make
2 and use the subject matter of the claim.

3 “(c) PROTEST AND PRE-ISSUANCE OPPOSITION.—

4 The Director shall establish appropriate procedures to en-
5 sure that no protest or other form of pre-issuance opposi-
6 tion to the grant of a patent on an application may be
7 initiated after publication of the application without the
8 express written consent of the applicant.

9 “(d) NATIONAL SECURITY.—No application for pat-
10 ent shall be published under subsection (b)(1) if the publi-
11 cation or disclosure of such invention would be detrimental
12 to the national security. The Director shall establish ap-
13 propriate procedures to ensure that such applications are
14 promptly identified and the secrecy of such inventions is
15 maintained in accordance with chapter 17 of this title.”.

16 (b) STUDY.—

17 (1) IN GENERAL.—The Comptroller General
18 shall conduct a 3-year study of the applicants who
19 file only in the United States on or after the effec-
20 tive date of this subtitle and shall provide the results
21 of such study to the Judiciary Committees of the
22 House of Representatives and the Senate.

23 (2) CONTENTS.—The study conducted under
24 paragraph (1) shall—

1 (A) consider the number of such applicants
2 in relation to the number of applicants who file
3 in the United States and outside of the United
4 States;

5 (B) examine how many domestic-only filers
6 request at the time of filing not to be published;

7 (C) examine how many such filers rescind
8 that request or later choose to file abroad;

9 (D) examine the status of the entity seek-
10 ing an application and any correlation that may
11 exist between such status and the publication of
12 patent applications; and

13 (E) examine the abandonment/issuance ra-
14 tios and length of application pendency before
15 patent issuance or abandonment for published
16 versus unpublished applications.

17 **SEC. 4503. TIME FOR CLAIMING BENEFIT OF EARLIER FIL-**
18 **ING DATE.**

19 (a) IN A FOREIGN COUNTRY.—Section 119(b) of title
20 35, United States Code, is amended to read as follows:

21 “(b)(1) No application for patent shall be entitled to
22 this right of priority unless a claim is filed in the Patent
23 and Trademark Office, identifying the foreign application
24 by specifying the application number on that foreign appli-
25 cation, the intellectual property authority or country in or

1 for which the application was filed, and the date of filing
2 the application, at such time during the pendency of the
3 application as required by the Director.

4 “(2) The Director may consider the failure of the ap-
5 plicant to file a timely claim for priority as a waiver of
6 any such claim. The Director may establish procedures,
7 including the payment of a surcharge, to accept an unin-
8 tentionally delayed claim under this section.

9 “(3) The Director may require a certified copy of the
10 original foreign application, specification, and drawings
11 upon which it is based, a translation if not in the English
12 language, and such other information as the Director con-
13 siders necessary. Any such certification shall be made by
14 the foreign intellectual property authority in which the for-
15 eign application was filed and show the date of the appli-
16 cation and of the filing of the specification and other pa-
17 pers.”.

18 (b) IN THE UNITED STATES.—

19 (1) IN GENERAL.—Section 120 of title 35,
20 United States Code, is amended by adding at the
21 end the following: “No application shall be entitled
22 to the benefit of an earlier filed application under
23 this section unless an amendment containing the
24 specific reference to the earlier filed application is
25 submitted at such time during the pendency of the

1 application as required by the Director. The Direc-
2 tor may consider the failure to submit such an
3 amendment within that time period as a waiver of
4 any benefit under this section. The Director may es-
5 tablish procedures, including the payment of a sur-
6 charge, to accept an unintentionally delayed submis-
7 sion of an amendment under this section.”.

8 (2) RIGHT OF PRIORITY.—Section 119(e)(1) of
9 title 35, United States Code, is amended by adding
10 at the end the following: “No application shall be en-
11 titled to the benefit of an earlier filed provisional ap-
12 plication under this subsection unless an amendment
13 containing the specific reference to the earlier filed
14 provisional application is submitted at such time
15 during the pendency of the application as required
16 by the Director. The Director may consider the fail-
17 ure to submit such an amendment within that time
18 period as a waiver of any benefit under this sub-
19 section. The Director may establish procedures, in-
20 cluding the payment of a surcharge, to accept an un-
21 intentionally delayed submission of an amendment
22 under this subsection during the pendency of the ap-
23 plication.”.

1 **SEC. 4504. PROVISIONAL RIGHTS.**

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

4 (1) in the section caption by inserting “; **pro-**
5 **visional rights**” after “**patent**”; and

6 (2) by adding at the end the following new sub-
7 section:

8 “(d) PROVISIONAL RIGHTS.—

9 “(1) IN GENERAL.—In addition to other rights
10 provided by this section, a patent shall include the
11 right to obtain a reasonable royalty from any person
12 who, during the period beginning on the date of pub-
13 lication of the application for such patent under sec-
14 tion 122(b), or in the case of an international appli-
15 cation filed under the treaty defined in section
16 351(a) designating the United States under Article
17 21(2)(a) of such treaty, the date of publication of
18 the application, and ending on the date the patent
19 is issued—

20 “(A)(i) makes, uses, offers for sale, or sells
21 in the United States the invention as claimed in
22 the published patent application or imports
23 such an invention into the United States; or

24 “(ii) if the invention as claimed in the pub-
25 lished patent application is a process, uses, of-
26 fers for sale, or sells in the United States or

1 imports into the United States products made
2 by that process as claimed in the published pat-
3 ent application; and

4 “(B) had actual notice of the published
5 patent application and, in a case in which the
6 right arising under this paragraph is based
7 upon an international application designating
8 the United States that is published in a lan-
9 guage other than English, had a translation of
10 the international application into the English
11 language.

12 “(2) RIGHT BASED ON SUBSTANTIALLY IDEN-
13 TICAL INVENTIONS.—The right under paragraph (1)
14 to obtain a reasonable royalty shall not be available
15 under this subsection unless the invention as claimed
16 in the patent is substantially identical to the inven-
17 tion as claimed in the published patent application.

18 “(3) TIME LIMITATION ON OBTAINING A REA-
19 SONABLE ROYALTY.—The right under paragraph (1)
20 to obtain a reasonable royalty shall be available only
21 in an action brought not later than 6 years after the
22 patent is issued. The right under paragraph (1) to
23 obtain a reasonable royalty shall not be affected by
24 the duration of the period described in paragraph
25 (1).

1 “(4) REQUIREMENTS FOR INTERNATIONAL AP-
2 PLICATIONS.—

3 “(A) EFFECTIVE DATE.—The right under
4 paragraph (1) to obtain a reasonable royalty
5 based upon the publication under the treaty de-
6 fined in section 351(a) of an international ap-
7 plication designating the United States shall
8 commence on the date on which the Patent and
9 Trademark Office receives a copy of the publi-
10 cation under the treaty of the international ap-
11 plication, or, if the publication under the treaty
12 of the international application is in a language
13 other than English, on the date on which the
14 Patent and Trademark Office receives a trans-
15 lation of the international application in the
16 English language.

17 “(B) COPIES.—The Director may require
18 the applicant to provide a copy of the inter-
19 national application and a translation thereof.”.

20 **SEC. 4505. PRIOR ART EFFECT OF PUBLISHED APPLICA-**
21 **TIONS.**

22 Section 102(e) of title 35, United States Code, is
23 amended to read as follows:

24 “(e) The invention was described in—

1 “(1) an application for patent, published under
2 section 122(b), by another filed in the United States
3 before the invention by the applicant for patent, ex-
4 cept that an international application filed under the
5 treaty defined in section 351(a) shall have the effect
6 under this subsection of a national application pub-
7 lished under section 122(b) only if the international
8 application designating the United States was pub-
9 lished under Article 21(2)(a) of such treaty in the
10 English language; or

11 “(2) a patent granted on an application for pat-
12 ent by another filed in the United States before the
13 invention by the applicant for patent, except that a
14 patent shall not be deemed filed in the United States
15 for the purposes of this subsection based on the fil-
16 ing of an international application filed under the
17 treaty defined in section 351(a); or”.

18 **SEC. 4506. COST RECOVERY FOR PUBLICATION.**

19 The Under Secretary of Commerce for Intellectual
20 Property and Director of the United States Patent and
21 Trademark Office shall recover the cost of early publica-
22 tion required by the amendment made by section 4502 by
23 charging a separate publication fee after notice of allow-
24 ance is given under section 151 of title 35, United States
25 Code.

1 **SEC. 4507. CONFORMING AMENDMENTS.**

2 The following provisions of title 35, United States
3 Code, are amended:

4 (1) Section 11 is amended in paragraph 1 of
5 subsection (a) by inserting “and published applica-
6 tions for patents” after “Patents”.

7 (2) Section 12 is amended—

8 (A) in the section caption by inserting
9 “**and applications**” after “**patents**”; and

10 (B) by inserting “and published applica-
11 tions for patents” after “patents”.

12 (3) Section 13 is amended—

13 (A) in the section caption by inserting
14 “**and applications**” after “**patents**”; and

15 (B) by inserting “and published applica-
16 tions for patents” after “patents”.

17 (4) The items relating to sections 12 and 13 in
18 the table of sections for chapter 1 are each amended
19 by inserting “and applications” after “patents”.

20 (5) The item relating to section 122 in the table
21 of sections for chapter 11 is amended by inserting
22 “; publication of patent applications” after “applica-
23 tions”.

24 (6) The item relating to section 154 in the table
25 of sections for chapter 14 is amended by inserting
26 “; provisional rights” after “patent”.

1 (7) Section 181 is amended—

2 (A) in the first undesignated paragraph—

3 (i) by inserting “by the publication of
4 an application or” after “disclosure”; and

5 (ii) by inserting “the publication of
6 the application or” after “withhold”;

7 (B) in the second undesignated paragraph
8 by inserting “by the publication of an applica-
9 tion or” after “disclosure of an invention”;

10 (C) in the third undesignated paragraph—

11 (i) by inserting “by the publication of
12 the application or” after “disclosure of the
13 invention”; and

14 (ii) by inserting “the publication of
15 the application or” after “withhold”; and

16 (D) in the fourth undesignated paragraph
17 by inserting “the publication of an application
18 or” after “and” in the first sentence.

19 (8) Section 252 is amended in the first undesignated
20 paragraph by inserting “substantially” before
21 “identical” each place it appears.

22 (9) Section 284 is amended by adding at the
23 end of the second undesignated paragraph the fol-
24 lowing: “Increased damages under this paragraph

1 shall not apply to provisional rights under section
2 154(d) of this title.”.

3 (10) Section 374 is amended to read as follows:

4 **“§ 374. Publication of international application**

5 “The publication under the treaty defined in section
6 351(a) of this title, of an international application desig-
7 nating the United States shall confer the same rights and
8 shall have the same effect under this title as an application
9 for patent published under section 122(b), except as pro-
10 vided in sections 102(e) and 154(d) of this title.”.

11 (11) Section 135(b) is amended—

12 (A) by inserting “(1)” after “(b)”; and

13 (B) by adding at the end the following:

14 “(2) A claim which is the same as, or for the same
15 or substantially the same subject matter as, a claim of
16 an application published under section 122(b) of this title
17 may be made in an application filed after the application
18 is published only if the claim is made before 1 year after
19 the date on which the application is published.”.

20 **SEC. 4508. EFFECTIVE DATE.**

21 Sections 4502 through 4507, and the amendments
22 made by such sections, shall take effect on the date that
23 is 1 year after the date of the enactment of this Act and
24 shall apply to all applications filed under section 111 of
25 title 35, United States Code, on or after that date, and

1 all applications complying with section 371 of title 35,
2 United States Code, that resulted from international ap-
3 plications filed on or after that date. The amendments
4 made by sections 4504 and 4505 shall apply to any such
5 application voluntarily published by the applicant under
6 procedures established under this subtitle that is pending
7 on the date that is 1 year after the date of the enactment
8 of this Act. The amendment made by section 4504 shall
9 also apply to international applications designating the
10 United States that are filed on or after the date that is
11 1 year after the date of the enactment of this Act.

12 **Subtitle F—Optional Inter Partes**
13 **Reexamination Procedure**

14 **SEC. 4601. SHORT TITLE.**

15 This subtitle may be cited as the “Optional Inter
16 Partes Reexamination Procedure Act of 1999”.

17 **SEC. 4602. EX PARTE REEXAMINATION OF PATENTS.**

18 The chapter heading for chapter 30 of title 35,
19 United States Code, is amended by inserting “**EX**
20 **PARTE**” before “**REEXAMINATION OF PAT-**
21 **ENTS**”.

22 **SEC. 4603. DEFINITIONS.**

23 Section 100 of title 35, United States Code, is
24 amended by adding at the end the following new sub-
25 section:

1 “(e) The term ‘third-party requester’ means a person
2 requesting ex parte reexamination under section 302 or
3 inter partes reexamination under section 311 who is not
4 the patent owner.”.

5 **SEC. 4604. OPTIONAL INTER PARTES REEXAMINATION PRO-**
6 **CEDURES.**

7 (a) IN GENERAL.—Part 3 of title 35, United States
8 Code, is amended by adding after chapter 30 the following
9 new chapter:

10 **“CHAPTER 31—OPTIONAL INTER PARTES**
11 **REEXAMINATION PROCEDURES**

“Sec.

“311. Request for inter partes reexamination.

“312. Determination of issue by Director.

“313. Inter partes reexamination order by Director.

“314. Conduct of inter partes reexamination proceedings.

“315. Appeal.

“316. Certificate of patentability, unpatentability, and claim cancellation.

“317. Inter partes reexamination prohibited.

“318. Stay of litigation.

12 **“§ 311. Request for inter partes reexamination**

13 “(a) IN GENERAL.—Any person at any time may file
14 a request for inter partes reexamination by the Office of
15 a patent on the basis of any prior art cited under the pro-
16 visions of section 301.

17 “(b) REQUIREMENTS.—The request shall—

18 “(1) be in writing, include the identity of the
19 real party in interest, and be accompanied by pay-

1 ment of an inter partes reexamination fee estab-
2 lished by the Director under section 41; and

3 “(2) set forth the pertinency and manner of ap-
4 plying cited prior art to every claim for which reex-
5 amination is requested.

6 “(c) COPY.—Unless the requesting person is
7 the owner of the patent, the Director promptly shall
8 send a copy of the request to the owner of record
9 of the patent.

10 **“§ 312. Determination of issue by Director**

11 “(a) REEXAMINATION.—Not later than 3 months
12 after the filing of a request for inter partes reexamination
13 under section 311, the Director shall determine whether
14 a substantial new question of patentability affecting any
15 claim of the patent concerned is raised by the request,
16 with or without consideration of other patents or printed
17 publications. On the Director’s initiative, and at any time,
18 the Director may determine whether a substantial new
19 question of patentability is raised by patents and publica-
20 tions.

21 “(b) RECORD.—A record of the Director’s determina-
22 tion under subsection (a) shall be placed in the official
23 file of the patent, and a copy shall be promptly given or
24 mailed to the owner of record of the patent and to the
25 third-party requester, if any.

1 “(c) FINAL DECISION.—A determination by the Di-
2 rector under subsection (a) shall be final and non-appeal-
3 able. Upon a determination that no substantial new ques-
4 tion of patentability has been raised, the Director may re-
5 fund a portion of the inter partes reexamination fee re-
6 quired under section 311.

7 **“§ 313. Inter partes reexamination order by Director**

8 “If, in a determination made under section 312(a),
9 the Director finds that a substantial new question of pat-
10 entability affecting a claim of a patent is raised, the deter-
11 mination shall include an order for inter partes reexamina-
12 tion of the patent for resolution of the question. The order
13 may be accompanied by the initial action of the Patent
14 and Trademark Office on the merits of the inter partes
15 reexamination conducted in accordance with section 314.

16 **“§ 314. Conduct of inter partes reexamination pro-**
17 **ceedings**

18 “(a) IN GENERAL.—Except as otherwise provided in
19 this section, reexamination shall be conducted according
20 to the procedures established for initial examination under
21 the provisions of sections 132 and 133. In any inter partes
22 reexamination proceeding under this chapter, the patent
23 owner shall be permitted to propose any amendment to
24 the patent and a new claim or claims, except that no pro-

1 posed amended or new claim enlarging the scope of the
2 claims of the patent shall be permitted.

3 “(b) RESPONSE.—(1) This subsection shall apply to
4 any inter partes reexamination proceeding in which the
5 order for inter partes reexamination is based upon a re-
6 quest by a third-party requester.

7 “(2) With the exception of the inter partes reexam-
8 ination request, any document filed by either the patent
9 owner or the third-party requester shall be served on the
10 other party. In addition, the third-party requester shall
11 receive a copy of any communication sent by the Office
12 to the patent owner concerning the patent subject to the
13 inter partes reexamination proceeding.

14 “(3) Each time that the patent owner files a response
15 to an action on the merits from the Patent and Trademark
16 Office, the third-party requester shall have one oppor-
17 tunity to file written comments addressing issues raised
18 by the action of the Office or the patent owner’s response
19 thereto, if those written comments are received by the Of-
20 fice within 30 days after the date of service of the patent
21 owner’s response.

22 “(c) SPECIAL DISPATCH.—Unless otherwise provided
23 by the Director for good cause, all inter partes reexamina-
24 tion proceedings under this section, including any appeal

1 to the Board of Patent Appeals and Interferences, shall
2 be conducted with special dispatch within the Office.

3 **“§ 315. Appeal**

4 “(a) PATENT OWNER.—The patent owner involved in
5 an inter partes reexamination proceeding under this
6 chapter—

7 “(1) may appeal under the provisions of section
8 134 and may appeal under the provisions of sections
9 141 through 144, with respect to any decision ad-
10 verse to the patentability of any original or proposed
11 amended or new claim of the patent; and

12 “(2) may be a party to any appeal taken by a
13 third-party requester under subsection (b).

14 “(b) THIRD-PARTY REQUESTER.—A third-party re-
15 quester may—

16 “(1) appeal under the provisions of section 134
17 with respect to any final decision favorable to the
18 patentability of any original or proposed amended or
19 new claim of the patent; or

20 “(2) be a party to any appeal taken by the pat-
21 ent owner under the provisions of section 134, sub-
22 ject to subsection (c).

23 “(c) CIVIL ACTION.—A third-party requester whose
24 request for an inter partes reexamination results in an
25 order under section 313 is estopped from asserting at a

1 later time, in any civil action arising in whole or in part
2 under section 1338 of title 28, United States Code, the
3 invalidity of any claim finally determined to be valid and
4 patentable on any ground which the third-party requester
5 raised or could have raised during the inter partes reexam-
6 ination proceedings. This subsection does not prevent the
7 assertion of invalidity based on newly discovered prior art
8 unavailable to the third-party requester and the Patent
9 and Trademark Office at the time of the inter partes reex-
10 amination proceedings.

11 **“§ 316. Certificate of patentability, unpatentability,**
12 **and claim cancellation**

13 “(a) IN GENERAL.—In an inter partes reexamination
14 proceeding under this chapter, when the time for appeal
15 has expired or any appeal proceeding has terminated, the
16 Director shall issue and publish a certificate canceling any
17 claim of the patent finally determined to be unpatentable,
18 confirming any claim of the patent determined to be pat-
19 entable, and incorporating in the patent any proposed
20 amended or new claim determined to be patentable.

21 “(b) AMENDED OR NEW CLAIM.—Any proposed
22 amended or new claim determined to be patentable and
23 incorporated into a patent following an inter partes reex-
24 amination proceeding shall have the same effect as that
25 specified in section 252 of this title for reissued patents

1 on the right of any person who made, purchased, or used
2 within the United States, or imported into the United
3 States, anything patented by such proposed amended or
4 new claim, or who made substantial preparation therefor,
5 prior to issuance of a certificate under the provisions of
6 subsection (a) of this section.

7 **“§ 317. Inter partes reexamination prohibited**

8 “(a) ORDER FOR REEXAMINATION.—Notwith-
9 standing any provision of this chapter, once an order for
10 inter partes reexamination of a patent has been issued
11 under section 313, neither the patent owner nor the third-
12 party requester, if any, nor privies of either, may file a
13 subsequent request for inter partes reexamination of the
14 patent until an inter partes reexamination certificate is
15 issued and published under section 316, unless authorized
16 by the Director.

17 “(b) FINAL DECISION.—Once a final decision has
18 been entered against a party in a civil action arising in
19 whole or in part under section 1338 of title 28, United
20 States Code, that the party has not sustained its burden
21 of proving the invalidity of any patent claim in suit or
22 if a final decision in an inter partes reexamination pro-
23 ceeding instituted by a third-party requester is favorable
24 to the patentability of any original or proposed amended
25 or new claim of the patent, then neither that party nor

1 its privies may thereafter request an inter partes reexam-
2 ination of any such patent claim on the basis of issues
3 which that party or its privies raised or could have raised
4 in such civil action or inter partes reexamination pro-
5 ceeding, and an inter partes reexamination requested by
6 that party or its privies on the basis of such issues may
7 not thereafter be maintained by the Office, notwith-
8 standing any other provision of this chapter. This sub-
9 section does not prevent the assertion of invalidity based
10 on newly discovered prior art unavailable to the third-
11 party requester and the Patent and Trademark Office at
12 the time of the inter partes reexamination proceedings.

13 **“§ 318. Stay of litigation**

14 “Once an order for inter partes reexamination of a
15 patent has been issued under section 313, the patent
16 owner may obtain a stay of any pending litigation which
17 involves an issue of patentability of any claims of the pat-
18 ent which are the subject of the inter partes reexamination
19 order, unless the court before which such litigation is
20 pending determines that a stay would not serve the inter-
21 ests of justice.”.

22 (b) CONFORMING AMENDMENT.—The table of chap-
23 ters for part III of title 25, United States Code, is amend-
24 ed by striking the item relating to chapter 30 and insert-
25 ing the following:

“30. Prior Art Citations to Office and Ex Parte Reexamination of Patents	301
“31. Optional Inter Partes Reexamination of Patents	311”.

1 **SEC. 4605. CONFORMING AMENDMENTS.**

2 (a) PATENT FEES; PATENT SEARCH SYSTEMS.—Sec-
3 tion 41(a)(7) of title 35, United States Code, is amended
4 to read as follows:

5 “(7) On filing each petition for the revival of an
6 unintentionally abandoned application for a patent,
7 for the unintentionally delayed payment of the fee
8 for issuing each patent, or for an unintentionally de-
9 layed response by the patent owner in any reexam-
10 ination proceeding, \$1,210, unless the petition is
11 filed under section 133 or 151 of this title, in which
12 case the fee shall be \$110.”

13 (b) APPEAL TO THE BOARD OF PATENTS APPEALS
14 AND INTERFERENCES.—Section 134 of title 35, United
15 States Code, is amended to read as follows:

16 **“§ 134. Appeal to the Board of Patent Appeals and**
17 **Interferences**

18 “(a) PATENT APPLICANT.—An applicant for a pat-
19 ent, any of whose claims has been twice rejected, may ap-
20 peal from the decision of the administrative patent judge
21 to the Board of Patent Appeals and Interferences, having
22 once paid the fee for such appeal.

23 “(b) PATENT OWNER.—A patent owner in any reex-
24 amination proceeding may appeal from the final rejection

1 of any claim by the administrative patent judge to the
2 Board of Patent Appeals and Interferences, having once
3 paid the fee for such appeal.

4 “(c) THIRD-PARTY.—A third-party requester in an
5 inter partes proceeding may appeal to the Board of Patent
6 Appeals and Interferences from the final decision of the
7 administrative patent judge favorable to the patentability
8 of any original or proposed amended or new claim of a
9 patent, having once paid the fee for such appeal. The
10 third-party requester may not appeal the decision of the
11 Board of Patent Appeals and Interferences.”.

12 (c) APPEAL TO COURT OF APPEALS FOR THE FED-
13 ERAL CIRCUIT.—Section 141 of title 35, United States
14 Code, is amended by adding the following after the second
15 sentence: “A patent owner in any reexamination pro-
16 ceeding dissatisfied with the final decision in an appeal
17 to the Board of Patent Appeals and Interferences under
18 section 134 may appeal the decision only to the United
19 States Court of Appeals for the Federal Circuit.”.

20 (d) PROCEEDINGS ON APPEAL.—Section 143 of title
21 35, United States Code, is amended by amending the third
22 sentence to read as follows: “In any reexamination case,
23 the Director shall submit to the court in writing the
24 grounds for the decision of the Patent and Trademark Of-
25 fice, addressing all the issues involved in the appeal.”.

1 (e) CIVIL ACTION TO OBTAIN PATENT.—Section 145
2 of title 35, United States Code, is amended in the first
3 sentence by inserting “(a)” after “section 134”.

4 **SEC. 4606. REPORT TO CONGRESS.**

5 Not later than 5 years after the date of the enact-
6 ment of this Act, the Under Secretary of Commerce for
7 Intellectual Property and Director of the United States
8 Patent and Trademark Office shall submit to the Congress
9 a report evaluating whether the inter partes reexamination
10 proceedings established under the amendments made by
11 this subtitle are inequitable to any of the parties in inter-
12 est and, if so, the report shall contain recommendations
13 for changes to the amendments made by this subtitle to
14 remove such inequity.

15 **SEC. 4607. ESTOPPEL EFFECT OF REEXAMINATION.**

16 Any party who requests an inter partes reexamina-
17 tion under section 311 of title 35, United States Code,
18 is estopped from challenging at a later time, in any civil
19 action, any fact determined during the process of such re-
20 examination, except with respect to a fact determination
21 later proved to be erroneous based on information unavail-
22 able at the time of the inter partes reexamination decision.
23 If this section is held to be unenforceable, the enforce-
24 ability of the remainder of this subtitle or of this title shall
25 not be denied as a result.

1 **SEC. 4608. EFFECTIVE DATE.**

2 (a) IN GENERAL.—Subject to subsection (b), this
 3 subtitle and the amendments made by this subtitle shall
 4 take effect on the date of the enactment of this Act and
 5 shall apply to any patent that issues from an original ap-
 6 plication filed in the United States on or after that date.

7 (b) SECTION 4605(a).—The amendments made by
 8 section 4605(a) shall take effect on the date that is 1 year
 9 after the date of the enactment of this Act.

10 **Subtitle G—Patent and Trademark**
 11 **Office**

12 **SEC. 4701. SHORT TITLE.**

13 This subtitle may be cited as the “Patent and Trade-
 14 mark Office Efficiency Act”.

15 **CHAPTER 1—UNITED STATES PATENT**
 16 **AND TRADEMARK OFFICE**

17 **SEC. 4711. ESTABLISHMENT OF PATENT AND TRADEMARK**
 18 **OFFICE.**

19 Section 1 of title 35, United States Code, is amended
 20 to read as follows:

21 **“§ 1. Establishment**

22 “(a) ESTABLISHMENT.—The United States Patent
 23 and Trademark Office is established as an agency of the
 24 United States, within the Department of Commerce. In
 25 carrying out its functions, the United States Patent and
 26 Trademark Office shall be subject to the policy direction

1 of the Secretary of Commerce, but otherwise shall retain
2 responsibility for decisions regarding the management and
3 administration of its operations and shall exercise inde-
4 pendent control of its budget allocations and expenditures,
5 personnel decisions and processes, procurements, and
6 other administrative and management functions in accord-
7 ance with this title and applicable provisions of law. Those
8 operations designed to grant and issue patents and those
9 operations which are designed to facilitate the registration
10 of trademarks shall be treated as separate operating units
11 within the Office.

12 “(b) OFFICES.—The United States Patent and
13 Trademark Office shall maintain its principal office in the
14 metropolitan Washington, D.C., area, for the service of
15 process and papers and for the purpose of carrying out
16 its functions. The United States Patent and Trademark
17 Office shall be deemed, for purposes of venue in civil ac-
18 tions, to be a resident of the district in which its principal
19 office is located, except where jurisdiction is otherwise pro-
20 vided by law. The United States Patent and Trademark
21 Office may establish satellite offices in such other places
22 in the United States as it considers necessary and appro-
23 priate in the conduct of its business.

24 “(c) REFERENCE.—For purposes of this title, the
25 United States Patent and Trademark Office shall also be

1 referred to as the ‘Office’ and the ‘Patent and Trademark
2 Office’.”.

3 **SEC. 4712. POWERS AND DUTIES.**

4 Section 2 of title 35, United States Code, is amended
5 to read as follows:

6 **“§ 2. Powers and duties**

7 “(a) IN GENERAL.—The United States Patent and
8 Trademark Office, subject to the policy direction of the
9 Secretary of Commerce—

10 “(1) shall be responsible for the granting and
11 issuing of patents and the registration of trade-
12 marks; and

13 “(2) shall be responsible for disseminating to
14 the public information with respect to patents and
15 trademarks.

16 “(b) SPECIFIC POWERS.—The Office—

17 “(1) shall adopt and use a seal of the Office,
18 which shall be judicially noticed and with which let-
19 ters patent, certificates of trademark registrations,
20 and papers issued by the Office shall be authenti-
21 cated;

22 “(2) may establish regulations, not inconsistent
23 with law, which—

24 “(A) shall govern the conduct of pro-
25 ceedings in the Office;

1 “(B) shall be made in accordance with sec-
2 tion 553 of title 5, United States Code;

3 “(C) shall facilitate and expedite the proc-
4 essing of patent applications, particularly those
5 which can be filed, stored, processed, searched,
6 and retrieved electronically, subject to the provi-
7 sions of section 122 relating to the confidential
8 status of applications;

9 “(D) may govern the recognition and con-
10 duct of agents, attorneys, or other persons rep-
11 resenting applicants or other parties before the
12 Office, and may require them, before being rec-
13 ognized as representatives of applicants or
14 other persons, to show that they are of good
15 moral character and reputation and are pos-
16 sessed of the necessary qualifications to render
17 to applicants or other persons valuable service,
18 advice, and assistance in the presentation or
19 prosecution of their applications or other busi-
20 ness before the Office;

21 “(E) shall recognize the public interest in
22 continuing to safeguard broad access to the
23 United States patent system through the re-
24 duced fee structure for small entities under sec-
25 tion 41(h)(1) of this title; and

1 “(F) provide for the development of a per-
2 formance-based process that includes quan-
3 titative and qualitative measures and standards
4 for evaluating cost-effectiveness and is con-
5 sistent with the principles of impartiality and
6 competitiveness;

7 “(3) may acquire, construct, purchase, lease,
8 hold, manage, operate, improve, alter, and renovate
9 any real, personal, or mixed property, or any interest
10 therein, as it considers necessary to carry out its
11 functions;

12 “(4)(A) may make such purchases, contracts
13 for the construction, maintenance, or management
14 and operation of facilities, and contracts for supplies
15 or services, without regard to the provisions of the
16 Federal Property and Administrative Services Act of
17 1949 (40 U.S.C. 471 et seq.), the Public Buildings
18 Act (40 U.S.C. 601 et seq.), and the Stewart B.
19 McKinney Homeless Assistance Act (42 U.S.C.
20 11301 et seq.); and

21 “(B) may enter into and perform such pur-
22 chases and contracts for printing services, including
23 the process of composition, platemaking, presswork,
24 silk screen processes, binding, microform, and the
25 products of such processes, as it considers necessary

1 to carry out the functions of the Office, without re-
2 gard to sections 501 through 517 and 1101 through
3 1123 of title 44, United States Code;

4 “(5) may use, with their consent, services,
5 equipment, personnel, and facilities of other depart-
6 ments, agencies, and instrumentalities of the Fed-
7 eral Government, on a reimbursable basis, and co-
8 operate with such other departments, agencies, and
9 instrumentalities in the establishment and use of
10 services, equipment, and facilities of the Office;

11 “(6) may, when the Director determines that it
12 is practicable, efficient, and cost-effective to do so,
13 use, with the consent of the United States and the
14 agency, instrumentality, Patent and Trademark Of-
15 fice, or international organization concerned, the
16 services, records, facilities, or personnel of any State
17 or local government agency or instrumentality or
18 foreign patent and trademark office or international
19 organization to perform functions on its behalf;

20 “(7) may retain and use all of its revenues and
21 receipts, including revenues from the sale, lease, or
22 disposal of any real, personal, or mixed property, or
23 any interest therein, of the Office;

1 “(8) shall advise the President, through the
2 Secretary of Commerce, on national and certain
3 international intellectual property policy issues;

4 “(9) shall advise Federal departments and
5 agencies on matters of intellectual property policy in
6 the United States and intellectual property protec-
7 tion in other countries;

8 “(10) shall provide guidance, as appropriate,
9 with respect to proposals by agencies to assist for-
10 eign governments and international intergovern-
11 mental organizations on matters of intellectual prop-
12 erty protection;

13 “(11) may conduct programs, studies, or ex-
14 changes of items or services regarding domestic and
15 international intellectual property law and the effec-
16 tiveness of intellectual property protection domesti-
17 cally and throughout the world;

18 “(12)(A) shall advise the Secretary of Com-
19 merce on programs and studies relating to intellec-
20 tual property policy that are conducted, or author-
21 ized to be conducted, cooperatively with foreign in-
22 tellectual property offices and international intergov-
23 ernmental organizations; and

24 “(B) may conduct programs and studies de-
25 scribed in subparagraph (A); and

1 “(13)(A) in coordination with the Department
2 of State, may conduct programs and studies coop-
3 eratively with foreign intellectual property offices
4 and international intergovernmental organizations;
5 and

6 “(B) with the concurrence of the Secretary of
7 State, may authorize the transfer of not to exceed
8 \$100,000 in any year to the Department of State
9 for the purpose of making special payments to inter-
10 national intergovernmental organizations for studies
11 and programs for advancing international coopera-
12 tion concerning patents, trademarks, and other mat-
13 ters.

14 “(c) CLARIFICATION OF SPECIFIC POWERS.—(1) The
15 special payments under subsection (b)(13)(B) shall be in
16 addition to any other payments or contributions to inter-
17 national organizations described in subsection (b)(13)(B)
18 and shall not be subject to any limitations imposed by law
19 on the amounts of such other payments or contributions
20 by the United States Government.

21 “(2) Nothing in subsection (b) shall derogate from
22 the duties of the Secretary of State or from the duties
23 of the United States Trade Representative as set forth in
24 section 141 of the Trade Act of 1974 (19 U.S.C. 2171).

1 “(3) Nothing in subsection (b) shall derogate from
2 the duties and functions of the Register of Copyrights or
3 otherwise alter current authorities relating to copyright
4 matters.

5 “(4) In exercising the Director’s powers under para-
6 graphs (3) and (4)(A) of subsection (b), the Director shall
7 consult with the Administrator of General Services.

8 “(5) In exercising the Director’s powers and duties
9 under this section, the Director shall consult with the Reg-
10 ister of Copyrights on all copyright and related matters.

11 “(d) CONSTRUCTION.—Nothing in this section shall
12 be construed to nullify, void, cancel, or interrupt any pend-
13 ing request-for-proposal let or contract issued by the Gen-
14 eral Services Administration for the specific purpose of re-
15 locating or leasing space to the United States Patent and
16 Trademark Office.”.

17 **SEC. 4713. ORGANIZATION AND MANAGEMENT.**

18 Section 3 of title 35, United States Code, is amended
19 to read as follows:

20 **“§ 3. Officers and employees**

21 **“(a) UNDER SECRETARY AND DIRECTOR.—**

22 **“(1) IN GENERAL.—**The powers and duties of
23 the United States Patent and Trademark Office
24 shall be vested in an Under Secretary of Commerce
25 for Intellectual Property and Director of the United

1 States Patent and Trademark Office (in this title re-
2 ferred to as the ‘Director’), who shall be a citizen of
3 the United States and who shall be appointed by the
4 President, by and with the advice and consent of the
5 Senate. The Director shall be a person who has a
6 professional background and experience in patent or
7 trademark law.

8 “(2) DUTIES.—

9 “(A) IN GENERAL.—The Director shall be
10 responsible for providing policy direction and
11 management supervision for the Office and for
12 the issuance of patents and the registration of
13 trademarks. The Director shall perform these
14 duties in a fair, impartial, and equitable man-
15 ner.

16 “(B) CONSULTING WITH THE PUBLIC AD-
17 VISORY COMMITTEES.—The Director shall con-
18 sult with the Patent Public Advisory Committee
19 established in section 5 on a regular basis on
20 matters relating to the patent operations of the
21 Office, shall consult with the Trademark Public
22 Advisory Committee established in section 5 on
23 a regular basis on matters relating to the trade-
24 mark operations of the Office, and shall consult
25 with the respective Public Advisory Committee

1 before submitting budgetary proposals to the
2 Office of Management and Budget or changing
3 or proposing to change patent or trademark
4 user fees or patent or trademark regulations
5 which are subject to the requirement to provide
6 notice and opportunity for public comment
7 under section 553 of title 5, United States
8 Code, as the case may be.

9 “(3) OATH.—The Director shall, before taking
10 office, take an oath to discharge faithfully the duties
11 of the Office.

12 “(4) REMOVAL.—The Director may be removed
13 from office by the President. The President shall
14 provide notification of any such removal to both
15 Houses of Congress.

16 “(b) OFFICERS AND EMPLOYEES OF THE OFFICE.—

17 “(1) DEPUTY UNDER SECRETARY AND DEPUTY
18 DIRECTOR.—The Secretary of Commerce, upon nom-
19 ination by the Director, shall appoint a Deputy
20 Under Secretary of Commerce for Intellectual Prop-
21 erty and Deputy Director of the United States Pat-
22 ent and Trademark Office who shall be vested with
23 the authority to act in the capacity of the Director
24 in the event of the absence or incapacity of the Di-
25 rector. The Deputy Director shall be a citizen of the

1 United States who has a professional background
2 and experience in patent or trademark law.

3 “(2) COMMISSIONERS.—

4 “(A) APPOINTMENT AND DUTIES.—The
5 Secretary of Commerce shall appoint a Commis-
6 sioner for Patents and a Commissioner for
7 Trademarks, without regard to chapter 33, 51,
8 or 53 of title 5, United States Code. The Com-
9 missioner for Patents shall be a citizen of the
10 United States with demonstrated management
11 ability and professional background and experi-
12 ence in patent law and serve for a term of 5
13 years. The Commissioner for Trademarks shall
14 be a citizen of the United States with dem-
15 onstrated management ability and professional
16 background and experience in trademark law
17 and serve for a term of 5 years. The Commis-
18 sioner for Patents and the Commissioner for
19 Trademarks shall serve as the chief operating
20 officers for the operations of the Office relating
21 to patents and trademarks, respectively, and
22 shall be responsible for the management and di-
23 rection of all aspects of the activities of the Of-
24 fice that affect the administration of patent and
25 trademark operations, respectively. The Sec-

1 retary may reappoint a Commissioner to subse-
2 quent terms of 5 years as long as the perform-
3 ance of the Commissioner as set forth in the
4 performance agreement in subparagraph (B) is
5 satisfactory.

6 “(B) SALARY AND PERFORMANCE AGREE-
7 MENT.—The Commissioners shall be paid an
8 annual rate of basic pay not to exceed the max-
9 imum rate of basic pay for the Senior Executive
10 Service established under section 5382 of title
11 5, United States Code, including any applicable
12 locality-based comparability payment that may
13 be authorized under section 5304(h)(2)(C) of
14 title 5, United States Code. The compensation
15 of the Commissioners shall be considered, for
16 purposes of section 207(c)(2)(A) of title 18,
17 United States Code, to be the equivalent of that
18 described under clause (ii) of section
19 207(c)(2)(A) of title 18, United States Code. In
20 addition, the Commissioners may receive a
21 bonus in an amount of up to, but not in excess
22 of, 50 percent of the Commissioners’ annual
23 rate of basic pay, based upon an evaluation by
24 the Secretary of Commerce, acting through the
25 Director, of the Commissioners’ performance as

1 defined in an annual performance agreement
2 between the Commissioners and the Secretary.
3 The annual performance agreements shall in-
4 corporate measurable organization and indi-
5 vidual goals in key operational areas as delin-
6 eated in an annual performance plan agreed to
7 by the Commissioners and the Secretary. Pay-
8 ment of a bonus under this subparagraph may
9 be made to the Commissioners only to the ex-
10 tent that such payment does not cause the
11 Commissioners' total aggregate compensation in
12 a calendar year to equal or exceed the amount
13 of the salary of the Vice President under sec-
14 tion 104 of title 3, United States Code.

15 “(C) REMOVAL.—The Commissioners may
16 be removed from office by the Secretary for
17 misconduct or nonsatisfactory performance
18 under the performance agreement described in
19 subparagraph (B), without regard to the provi-
20 sions of title 5, United States Code. The Sec-
21 retary shall provide notification of any such re-
22 moval to both Houses of Congress.

23 “(3) OTHER OFFICERS AND EMPLOYEES.—The
24 Director shall—

1 “(A) appoint such officers, employees (in-
2 cluding attorneys), and agents of the Office as
3 the Director considers necessary to carry out
4 the functions of the Office; and

5 “(B) define the title, authority, and duties
6 of such officers and employees and delegate to
7 them such of the powers vested in the Office as
8 the Director may determine.

9 The Office shall not be subject to any administra-
10 tively or statutorily imposed limitation on positions
11 or personnel, and no positions or personnel of the
12 Office shall be taken into account for purposes of
13 applying any such limitation.

14 “(4) TRAINING OF EXAMINERS.—The Office
15 shall submit to the Congress a proposal to provide
16 an incentive program to retain as employees patent
17 and trademark examiners of the primary examiner
18 grade or higher who are eligible for retirement, for
19 the sole purpose of training patent and trademark
20 examiners.

21 “(5) NATIONAL SECURITY POSITIONS.—The Di-
22 rector, in consultation with the Director of the Of-
23 fice of Personnel Management, shall maintain a pro-
24 gram for identifying national security positions and
25 providing for appropriate security clearances, in

1 order to maintain the secrecy of certain inventions,
2 as described in section 181, and to prevent disclo-
3 sure of sensitive and strategic information in the in-
4 terest of national security.

5 “(c) CONTINUED APPLICABILITY OF TITLE 5,
6 UNITED STATES CODE.—Officers and employees of the
7 Office shall be subject to the provisions of title 5, United
8 States Code, relating to Federal employees.

9 “(d) ADOPTION OF EXISTING LABOR AGREE-
10 MENTS.—The Office shall adopt all labor agreements
11 which are in effect, as of the day before the effective date
12 of the Patent and Trademark Office Efficiency Act, with
13 respect to such Office (as then in effect).

14 “(e) CARRYOVER OF PERSONNEL.—

15 “(1) FROM PTO.—Effective as of the effective
16 date of the Patent and Trademark Office Efficiency
17 Act, all officers and employees of the Patent and
18 Trademark Office on the day before such effective
19 date shall become officers and employees of the Of-
20 fice, without a break in service.

21 “(2) OTHER PERSONNEL.—Any individual who,
22 on the day before the effective date of the Patent
23 and Trademark Office Efficiency Act, is an officer
24 or employee of the Department of Commerce (other
25 than an officer or employee under paragraph (1))

1 shall be transferred to the Office, as necessary to
2 carry out the purposes of this Act, if—

3 “(A) such individual serves in a position
4 for which a major function is the performance
5 of work reimbursed by the Patent and Trade-
6 mark Office, as determined by the Secretary of
7 Commerce;

8 “(B) such individual serves in a position
9 that performed work in support of the Patent
10 and Trademark Office during at least half of
11 the incumbent’s work time, as determined by
12 the Secretary of Commerce; or

13 “(C) such transfer would be in the interest
14 of the Office, as determined by the Secretary of
15 Commerce in consultation with the Director.

16 Any transfer under this paragraph shall be effective
17 as of the same effective date as referred to in para-
18 graph (1), and shall be made without a break in
19 service.

20 “(f) TRANSITION PROVISIONS.—

21 “(1) INTERIM APPOINTMENT OF DIRECTOR.—

22 On or after the effective date of the Patent and
23 Trademark Office Efficiency Act, the President shall
24 appoint an individual to serve as the Director until
25 the date on which a Director qualifies under sub-

1 section (a). The President shall not make more than
2 one such appointment under this subsection.

3 “(2) CONTINUATION IN OFFICE OF CERTAIN
4 OFFICERS.—(A) The individual serving as the As-
5 sistant Commissioner for Patents on the day before
6 the effective date of the Patent and Trademark Of-
7 fice Efficiency Act may serve as the Commissioner
8 for Patents until the date on which a Commissioner
9 for Patents is appointed under subsection (b).

10 “(B) The individual serving as the Assistant
11 Commissioner for Trademarks on the day before the
12 effective date of the Patent and Trademark Office
13 Efficiency Act may serve as the Commissioner for
14 Trademarks until the date on which a Commissioner
15 for Trademarks is appointed under subsection (b).”.

16 **SEC. 4714. PUBLIC ADVISORY COMMITTEES.**

17 Chapter 1 of part I of title 35, United States Code,
18 is amended by inserting after section 4 the following:

19 **“§ 5. Patent and Trademark Office Public Advisory**
20 **Committees**

21 “(a) ESTABLISHMENT OF PUBLIC ADVISORY COM-
22 MITTEES.—

23 “(1) APPOINTMENT.—The United States Pat-
24 ent and Trademark Office shall have a Patent Pub-
25 lic Advisory Committee and a Trademark Public Ad-

1 visory Committee, each of which shall have nine vot-
2 ing members who shall be appointed by the Sec-
3 retary of Commerce and serve at the pleasure of the
4 Secretary of Commerce. Members of each Public Ad-
5 visory Committee shall be appointed for a term of 3
6 years, except that of the members first appointed,
7 three shall be appointed for a term of 1 year, and
8 three shall be appointed for a term of 2 years. In
9 making appointments to each Committee, the Sec-
10 retary of Commerce shall consider the risk of loss of
11 competitive advantage in international commerce or
12 other harm to United States companies as a result
13 of such appointments.

14 “(2) CHAIR.—The Secretary shall designate a
15 chair of each Advisory Committee, whose term as
16 chair shall be for 3 years.

17 “(3) TIMING OF APPOINTMENTS.—Initial ap-
18 pointments to each Advisory Committee shall be
19 made within 3 months after the effective date of the
20 Patent and Trademark Office Efficiency Act. Vacan-
21 cies shall be filled within 3 months after they occur.

22 “(b) BASIS FOR APPOINTMENTS.—Members of each
23 Advisory Committee—

24 “(1) shall be citizens of the United States who
25 shall be chosen so as to represent the interests of di-

1 verse users of the United States Patent and Trade-
2 mark Office with respect to patents, in the case of
3 the Patent Public Advisory Committee, and with re-
4 spect to trademarks, in the case of the Trademark
5 Public Advisory Committee;

6 “(2) shall include members who represent small
7 and large entity applicants located in the United
8 States in proportion to the number of applications
9 filed by such applicants, but in no case shall mem-
10 bers who represent small entity patent applicants,
11 including small business concerns, independent in-
12 ventors, and nonprofit organizations, constitute less
13 than 25 percent of the members of the Patent Pub-
14 lic Advisory Committee, and such members shall in-
15 clude at least one independent inventor; and

16 “(3) shall include individuals with substantial
17 background and achievement in finance, manage-
18 ment, labor relations, science, technology, and office
19 automation.

20 In addition to the voting members, each Advisory Com-
21 mittee shall include a representative of each labor organi-
22 zation recognized by the United States Patent and Trade-
23 mark Office. Such representatives shall be nonvoting
24 members of the Advisory Committee to which they are ap-
25 pointed.

1 “(c) MEETINGS.—Each Advisory Committee shall
2 meet at the call of the chair to consider an agenda set
3 by the chair.

4 “(d) DUTIES.—Each Advisory Committee shall—

5 “(1) review the policies, goals, performance,
6 budget, and user fees of the United States Patent
7 and Trademark Office with respect to patents, in the
8 case of the Patent Public Advisory Committee, and
9 with respect to Trademarks, in the case of the
10 Trademark Public Advisory Committee, and advise
11 the Director on these matters;

12 “(2) within 60 days after the end of each fiscal
13 year—

14 “(A) prepare an annual report on the mat-
15 ters referred to in paragraph (1);

16 “(B) transmit the report to the Secretary
17 of Commerce, the President, and the Commit-
18 tees on the Judiciary of the Senate and the
19 House of Representatives; and

20 “(C) publish the report in the Official Ga-
21 zette of the United States Patent and Trade-
22 mark Office.

23 “(e) COMPENSATION.—Each member of each Advi-
24 sory Committee shall be compensated for each day (includ-
25 ing travel time) during which such member is attending

1 meetings or conferences of that Advisory Committee or
2 otherwise engaged in the business of that Advisory Com-
3 mittee, at the rate which is the daily equivalent of the an-
4 nual rate of basic pay in effect for level III of the Execu-
5 tive Schedule under section 5314 of title 5, United States
6 Code. While away from such member's home or regular
7 place of business such member shall be allowed travel ex-
8 penses, including per diem in lieu of subsistence, as au-
9 thorized by section 5703 of title 5, United States Code.

10 “(f) ACCESS TO INFORMATION.—Members of each
11 Advisory Committee shall be provided access to records
12 and information in the United States Patent and Trade-
13 mark Office, except for personnel or other privileged infor-
14 mation and information concerning patent applications re-
15 quired to be kept in confidence by section 122.

16 “(g) APPLICABILITY OF CERTAIN ETHICS LAWS.—
17 Members of each Advisory Committee shall be special Gov-
18 ernment employees within the meaning of section 202 of
19 title 18, United States Code.

20 “(h) INAPPLICABILITY OF FEDERAL ADVISORY COM-
21 MITTEE ACT.—The Federal Advisory Committee Act (5
22 U.S.C. App.) shall not apply to each Advisory Committee.

23 “(i) OPEN MEETINGS.—The meetings of each Advi-
24 sory Committee shall be open to the public, except that
25 each Advisory Committee may by majority vote meet in

1 executive session when considering personnel or other con-
2 fidential information.”.

3 **SEC. 4715. CONFORMING AMENDMENTS.**

4 (a) DUTIES.—Chapter 1 of title 35, United States
5 Code, is amended by striking section 6.

6 (b) REGULATIONS FOR AGENTS AND ATTORNEYS.—
7 Section 31 of title 35, United States Code, and the item
8 relating to such section in the table of sections for chapter
9 3 of title 35, United States Code, are repealed.

10 (c) SUSPENSION OR EXCLUSION FROM PRACTICE.—
11 Section 32 of title 35, United States Code, is amended
12 by striking “31” and inserting “2(b)(2)(D)”.

13 **SEC. 4716. TRADEMARK TRIAL AND APPEAL BOARD.**

14 Section 17 of the Act of July 5, 1946 (commonly re-
15 ferred to as the “Trademark Act of 1946”) (15 U.S.C.
16 1067) is amended to read as follows:

17 “SEC. 17. (a) In every case of interference, opposition
18 to registration, application to register as a lawful concur-
19 rent user, or application to cancel the registration of a
20 mark, the Director shall give notice to all parties and shall
21 direct a Trademark Trial and Appeal Board to determine
22 and decide the respective rights of registration.

23 “(b) The Trademark Trial and Appeal Board shall
24 include the Director, the Commissioner for Patents, the

1 Commissioner for Trademarks, and administrative trade-
2 mark judges who are appointed by the Director.”.

3 **SEC. 4717. BOARD OF PATENT APPEALS AND INTER-**
4 **FERENCES.**

5 Chapter 1 of title 35, United States Code, is
6 amended—

7 (1) by striking section 7 and redesignating sec-
8 tions 8 through 14 as sections 7 through 13, respec-
9 tively; and

10 (2) by inserting after section 5 the following:

11 **“§ 6. Board of Patent Appeals and Interferences**

12 “(a) ESTABLISHMENT AND COMPOSITION.—There
13 shall be in the United States Patent and Trademark Of-
14 fice a Board of Patent Appeals and Interferences. The Di-
15 rector, the Commissioner for Patents, the Commissioner
16 for Trademarks, and the administrative patent judges
17 shall constitute the Board. The administrative patent
18 judges shall be persons of competent legal knowledge and
19 scientific ability who are appointed by the Director.

20 “(b) DUTIES.—The Board of Patent Appeals and
21 Interferences shall, on written appeal of an applicant, re-
22 view adverse decisions of examiners upon applications for
23 patents and shall determine priority and patentability of
24 invention in interferences declared under section 135(a).
25 Each appeal and interference shall be heard by at least

1 three members of the Board, who shall be designated by
2 the Director. Only the Board of Patent Appeals and Inter-
3 ferences may grant rehearings.”.

4 **SEC. 4718. ANNUAL REPORT OF DIRECTOR.**

5 Section 13 of title 35, United States Code, as redesign-
6 nated by section 4717 of this subtitle, is amended to read
7 as follows:

8 **“§ 13. Annual report to Congress**

9 “The Director shall report to the Congress, not later
10 than 180 days after the end of each fiscal year, the mon-
11 eys received and expended by the Office, the purposes for
12 which the moneys were spent, the quality and quantity of
13 the work of the Office, the nature of training provided to
14 examiners, the evaluation of the Commissioner of Patents
15 and the Commissioner of Trademarks by the Secretary of
16 Commerce, the compensation of the Commissioners, and
17 other information relating to the Office.”.

18 **SEC. 4719. SUSPENSION OR EXCLUSION FROM PRACTICE.**

19 Section 32 of title 35, United States Code, is amend-
20 ed by inserting before the last sentence the following: “The
21 Director shall have the discretion to designate any attor-
22 ney who is an officer or employee of the United States
23 Patent and Trademark Office to conduct the hearing re-
24 quired by this section.”.

1 **SEC. 4720. PAY OF DIRECTOR AND DEPUTY DIRECTOR.**

2 (a) PAY OF DIRECTOR.—Section 5314 of title 5,
3 United States Code, is amended by striking:

4 “Assistant Secretary of Commerce and Com-
5 missioner of Patents and Trademarks.”.

6 and inserting:

7 “Under Secretary of Commerce for Intellectual
8 Property and Director of the United States Patent
9 and Trademark Office.”.

10 (b) PAY OF DEPUTY DIRECTOR.—Section 5315 of
11 title 5, United States Code, is amended by adding at the
12 end the following:

13 “Deputy Under Secretary of Commerce for In-
14 tellectual Property and Deputy Director of the
15 United States Patent and Trademark Office.”.

16 **CHAPTER 2—EFFECTIVE DATE;**
17 **TECHNICAL AMENDMENTS**

18 **SEC. 4731. EFFECTIVE DATE.**

19 This subtitle and the amendments made by this sub-
20 title shall take effect 4 months after the date of the enact-
21 ment of this Act.

22 **SEC. 4732. TECHNICAL AND CONFORMING AMENDMENTS.**

23 (a) AMENDMENTS TO TITLE 35, UNITED STATES
24 CODE.—

1 (1) The item relating to part I in the table of
2 parts for chapter 35, United States Code, is amend-
3 ed to read as follows:

“I. United States Patent and Trademark Office 1”.

4 (2) The heading for part I of title 35, United
5 States Code, is amended to read as follows:

6 **“PART I—UNITED STATES PATENT AND**
7 **TRADEMARK OFFICE”.**

8 (3) The table of chapters for part I of title 35,
9 United States Code, is amended by amending the
10 item relating to chapter 1 to read as follows:

“1. Establishment, Officers and Employees, Functions 1”.

11 (4) The table of sections for chapter 1 of title
12 35, United States Code, is amended to read as fol-
13 lows:

14 **“CHAPTER 1—ESTABLISHMENT, OFFICERS**
15 **AND EMPLOYEES, FUNCTIONS**

“Sec.

“ 1. Establishment.

“ 2. Powers and duties.

“ 3. Officers and employees.

“ 4. Restrictions on officers and employees as to interest in patents.

“ 5. Patent and Trademark Office Public Advisory Committees.

“ 6. Board of Patent Appeals and Interferences.

“ 7. Library.

“ 8. Classification of patents.

“ 9. Certified copies of records.

“10. Publications.

“11. Exchange of copies of patents and applications with foreign countries.

“12. Copies of patents and applications for public libraries.

“13. Annual report to Congress.”.

1 (5) Section 41(h) of title 35, United States
2 Code, is amended by striking “Commissioner of Pat-
3 ents and Trademarks” and inserting “Director”.

4 (6) Section 155 of title 35, United States Code,
5 is amended by striking “Commissioner of Patents
6 and Trademarks” and inserting “Director”.

7 (7) Section 155A(c) of title 35, United States
8 Code, is amended by striking “Commissioner of Pat-
9 ents and Trademarks” and inserting “Director”.

10 (8) Section 302 of title 35, United States Code,
11 is amended by striking “Commissioner of Patents”
12 and inserting “Director”.

13 (9)(A) Section 303 of title 35, United States
14 Code, is amended—

15 (i) in the section heading by striking
16 “**Commissioner**” and inserting “**Direct-**
17 **tor**”; and

18 (ii) by striking “Commissioner’s” and in-
19 serting “Director’s”.

20 (B) The item relating to section 303 in the
21 table of sections for chapter 30 of title 35, United
22 States Code, is amended by striking “Commis-
23 sioner” and inserting “Director”.

24 (10)(A) Except as provided in subparagraph
25 (B), title 35, United States Code, is amended by

1 striking “Commissioner” each place it appears and
2 inserting “Director”.

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

6 (11) Section 157(d) of title 35, United States
7 Code, is amended by striking “Secretary of Com-
8 merce” and inserting “Director”.

9 (12) Section 202(a) of title 35, United States
10 Code, is amended—

11 (A) by striking “iv)” and inserting “(iv)”;

12 and

13 (B) by striking the second period after
14 “Department of Energy” at the end of the first
15 sentence.

16 (b) OTHER PROVISIONS OF LAW.—

17 (1)(A) Section 45 of the Act of July 5, 1946
18 (commonly referred to as the “Trademark Act of
19 1946”; 15 U.S.C. 1127), is amended by striking
20 “The term ‘Commissioner’ means the Commissioner
21 of Patents and Trademarks.” and inserting “The
22 term ‘Director’ means the Under Secretary of Com-
23 merce for Intellectual Property and Director of the
24 United States Patent and Trademark Office.”.

1 (B) The Act of July 5, 1946 (commonly re-
2 ferred to as the “Trademark Act of 1946”; 15
3 U.S.C. 1051 et seq.), except for section 17, as
4 amended by 4716 of this subtitle, is amended by
5 striking “Commissioner” each place it appears and
6 inserting “Director”.

7 (C) Sections 8(e) and 9(b) of the Trademark
8 Act of 1946 are each amended by striking “Commis-
9 sioner” and inserting “Director”.

10 (2) Section 500(e) of title 5, United States
11 Code, is amended by striking “Patent Office” and
12 inserting “United States Patent and Trademark Of-
13 fice”.

14 (3) Section 5102(c)(23) of title 5, United
15 States Code, is amended to read as follows:

16 “(23) administrative patent judges and des-
17 ignated administrative patent judges in the United
18 States Patent and Trademark Office;”.

19 (4) Section 5316 of title 5, United States Code
20 (5 U.S.C. 5316) is amended by striking “Commis-
21 sioner of Patents, Department of Commerce.”,
22 “Deputy Commissioner of Patents and Trade-
23 marks.”, “Assistant Commissioner for Patents.”,
24 and “Assistant Commissioner for Trademarks.”.

1 (5) Section 9(p)(1)(B) of the Small Business
2 Act (15 U.S.C. 638(p)(1)(B)) is amended to read as
3 follows:

4 “(B) the Under Secretary of Commerce for
5 Intellectual Property and Director of the United
6 States Patent and Trademark Office; and”.

7 (6) Section 12 of the Act of February 14, 1903
8 (15 U.S.C. 1511) is amended—

9 (A) by striking “(d) Patent and Trade-
10 mark Office;” and inserting:

11 “(4) United States Patent and Trademark Of-
12 fice”; and

13 (B) by redesignating subsections (a), (b),
14 (c), (e), (f), and (g) as paragraphs (1), (2), (3),
15 (5), (6), and (7), respectively and indenting the
16 paragraphs as so redesignated 2 ems to the
17 right.

18 (7) Section 19 of the Tennessee Valley Author-
19 ity Act of 1933 (16 U.S.C. 831r) is amended—

20 (A) by striking “Patent Office of the
21 United States” and inserting “United States
22 Patent and Trademark Office”; and

23 (B) by striking “Commissioner of Patents”
24 and inserting “Under Secretary of Commerce

1 for Intellectual Property and Director of the
2 United States Patent and Trademark Office”.

3 (8) Section 182(b)(2)(A) of the Trade Act of
4 1974 (19 U.S.C. 2242(b)(2)(A)) is amended by
5 striking “Commissioner of Patents and Trade-
6 marks” and inserting “Under Secretary of Com-
7 merce for Intellectual Property and Director of the
8 United States Patent and Trademark Office”.

9 (9) Section 302(b)(2)(D) of the Trade Act of
10 1974 (19 U.S.C. 2412(b)(2)(D)) is amended by
11 striking “Commissioner of Patents and Trade-
12 marks” and inserting “Under Secretary of Com-
13 merce for Intellectual Property and Director of the
14 United States Patent and Trademark Office”.

15 (10) The Act of April 12, 1892 (27 Stat. 395;
16 20 U.S.C. 91) is amended by striking “Patent Of-
17 fice” and inserting “United States Patent and
18 Trademark Office”.

19 (11) Sections 505(m) and 512(o) of the Federal
20 Food, Drug, and Cosmetic Act (21 U.S.C. 355(m)
21 and 360b(o)) are each amended by striking “Patent
22 and Trademark Office of the Department of Com-
23 merce” and inserting “United States Patent and
24 Trademark Office”.

1 (12) Section 702(d) of the Federal Food, Drug,
2 and Cosmetic Act (21 U.S.C. 372(d)) is amended by
3 striking “Commissioner of Patents” and inserting
4 “Under Secretary of Commerce for Intellectual
5 Property and Director of the United States Patent
6 and Trademark Office” and by striking “Commis-
7 sioner” and inserting “Director”.

8 (13) Section 105(e) of the Federal Alcohol Ad-
9 ministration Act (27 U.S.C. 205(e)) is amended by
10 striking “United States Patent Office” and inserting
11 “United States Patent and Trademark Office”.

12 (14) Section 1295(a)(4) of title 28, United
13 States Code, is amended—

14 (A) in subparagraph (A) by inserting
15 “United States” before “Patent and Trade-
16 mark”; and

17 (B) in subparagraph (B) by striking
18 “Commissioner of Patents and Trademarks”
19 and inserting “Under Secretary of Commerce
20 for Intellectual Property and Director of the
21 United States Patent and Trademark Office”.

22 (15) Chapter 115 of title 28, United States
23 Code, is amended—

24 (A) in the item relating to section 1744 in
25 the table of sections by striking “Patent Office”

1 and inserting “United States Patent and
2 Trademark Office”;

3 (B) in section 1744—

4 (i) by striking “Patent Office” each
5 place it appears in the text and section
6 heading and inserting “United States Pat-
7 ent and Trademark Office”; and

8 (ii) by striking “Commissioner of Pat-
9 ents” and inserting “Under Secretary of
10 Commerce for Intellectual Property and
11 Director of the United States Patent and
12 Trademark Office”; and

13 (C) by striking “Commissioner” and in-
14 serting “Director”.

15 (16) Section 1745 of title 28, United States
16 Code, is amended by striking “United States Patent
17 Office” and inserting “United States Patent and
18 Trademark Office”.

19 (17) Section 1928 of title 28, United States
20 Code, is amended by striking “Patent Office” and
21 inserting “United States Patent and Trademark Of-
22 fice”.

23 (18) Section 151 of the Atomic Energy Act of
24 1954 (42 U.S.C. 2181) is amended in subsections c.
25 and d. by striking “Commissioner of Patents” and

1 inserting “Under Secretary of Commerce for Intel-
2 lectual Property and Director of the United States
3 Patent and Trademark Office”.

4 (19) Section 152 of the Atomic Energy Act of
5 1954 (42 U.S.C. 2182) is amended by striking
6 “Commissioner of Patents” each place it appears
7 and inserting “Under Secretary of Commerce for In-
8 tellectual Property and Director of the United States
9 Patent and Trademark Office”.

10 (20) Section 305 of the National Aeronautics
11 and Space Act of 1958 (42 U.S.C. 2457) is
12 amended—

13 (A) in subsection (c) by striking “Commis-
14 sioner of Patents” and inserting “Under Sec-
15 retary of Commerce for Intellectual Property
16 and Director of the United States Patent and
17 Trademark Office (hereafter in this section re-
18 ferred to as the ‘Director’)”; and

19 (B) by striking “Commissioner” each sub-
20 sequent place it appears and inserting “Direc-
21 tor”.

22 (21) Section 12(a) of the Solar Heating and
23 Cooling Demonstration Act of 1974 (42 U.S.C.
24 5510(a)) is amended by striking “Commissioner of
25 the Patent Office” and inserting “Under Secretary

1 of Commerce for Intellectual Property and Director
2 of the United States Patent and Trademark Office”.

3 (22) Section 1111 of title 44, United States
4 Code, is amended by striking “the Commissioner of
5 Patents,”.

6 (23) Section 1114 of title 44, United States
7 Code, is amended by striking “the Commissioner of
8 Patents,”.

9 (24) Section 1123 of title 44, United States
10 Code, is amended by striking “the Patent Office,”.

11 (25) Sections 1337 and 1338 of title 44, United
12 States Code, and the items relating to those sections
13 in the table of contents for chapter 13 of such title,
14 are repealed.

15 (26) Section 10(i) of the Trading with the
16 enemy Act (50 U.S.C. App. 10(i)) is amended by
17 striking “Commissioner of Patents” and inserting
18 “Under Secretary of Commerce for Intellectual
19 Property and Director of the United States Patent
20 and Trademark Office”.

21 **CHAPTER 3—MISCELLANEOUS**

22 **PROVISIONS**

23 **SEC. 4741. REFERENCES.**

24 (a) IN GENERAL.—Any reference in any other Fed-
25 eral law, Executive order, rule, regulation, or delegation

1 of authority, or any document of or pertaining to a depart-
2 ment or office from which a function is transferred by this
3 subtitle—

4 (1) to the head of such department or office is
5 deemed to refer to the head of the department or of-
6 fice to which such function is transferred; or

7 (2) to such department or office is deemed to
8 refer to the department or office to which such func-
9 tion is transferred.

10 (b) SPECIFIC REFERENCES.—Any reference in any
11 other Federal law, Executive order, rule, regulation, or
12 delegation of authority, or any document of or pertaining
13 to the Patent and Trademark Office—

14 (1) to the Commissioner of Patents and Trade-
15 marks is deemed to refer to the Under Secretary of
16 Commerce for Intellectual Property and Director of
17 the United States Patent and Trademark Office;

18 (2) to the Assistant Commissioner for Patents
19 is deemed to refer to the Commissioner for Patents;
20 or

21 (3) to the Assistant Commissioner for Trade-
22 marks is deemed to refer to the Commissioner for
23 Trademarks.

1 **SEC. 4742. EXERCISE OF AUTHORITIES.**

2 Except as otherwise provided by law, a Federal offi-
3 cial to whom a function is transferred by this subtitle may,
4 for purposes of performing the function, exercise all au-
5 thorities under any other provision of law that were avail-
6 able with respect to the performance of that function to
7 the official responsible for the performance of the function
8 immediately before the effective date of the transfer of the
9 function under this subtitle.

10 **SEC. 4743. SAVINGS PROVISIONS.**

11 (a) **LEGAL DOCUMENTS.**—All orders, determinations,
12 rules, regulations, permits, grants, loans, contracts, agree-
13 ments, certificates, licenses, and privileges—

14 (1) that have been issued, made, granted, or al-
15 lowed to become effective by the President, the Sec-
16 retary of Commerce, any officer or employee of any
17 office transferred by this subtitle, or any other Gov-
18 ernment official, or by a court of competent jurisdic-
19 tion, in the performance of any function that is
20 transferred by this subtitle; and

21 (2) that are in effect on the effective date of
22 such transfer (or become effective after such date
23 pursuant to their terms as in effect on such effective
24 date), shall continue in effect according to their
25 terms until modified, terminated, superseded, set
26 aside, or revoked in accordance with law by the

1 President, any other authorized official, a court of
2 competent jurisdiction, or operation of law.

3 (b) PROCEEDINGS.—This subtitle shall not affect any
4 proceedings or any application for any benefits, service,
5 license, permit, certificate, or financial assistance pending
6 on the effective date of this subtitle before an office trans-
7 ferred by this subtitle, but such proceedings and applica-
8 tions shall be continued. Orders shall be issued in such
9 proceedings, appeals shall be taken therefrom, and pay-
10 ments shall be made pursuant to such orders, as if this
11 subtitle had not been enacted, and orders issued in any
12 such proceeding shall continue in effect until modified, ter-
13 minated, superseded, or revoked by a duly authorized offi-
14 cial, by a court of competent jurisdiction, or by operation
15 of law. Nothing in this subsection shall be considered to
16 prohibit the discontinuance or modification of any such
17 proceeding under the same terms and conditions and to
18 the same extent that such proceeding could have been dis-
19 continued or modified if this subtitle had not been enacted.

20 (c) SUITS.—This subtitle shall not affect suits com-
21 menced before the effective date of this subtitle, and in
22 all such suits, proceedings shall be had, appeals taken, and
23 judgments rendered in the same manner and with the
24 same effect as if this subtitle had not been enacted.

1 (d) NONABATEMENT OF ACTIONS.—No suit, action,
2 or other proceeding commenced by or against the Depart-
3 ment of Commerce or the Secretary of Commerce, or by
4 or against any individual in the official capacity of such
5 individual as an officer or employee of an office trans-
6 ferred by this subtitle, shall abate by reason of the enact-
7 ment of this subtitle.

8 (e) CONTINUANCE OF SUITS.—If any Government of-
9 ficer in the official capacity of such officer is party to a
10 suit with respect to a function of the officer, and under
11 this subtitle such function is transferred to any other offi-
12 cer or office, then such suit shall be continued with the
13 other officer or the head of such other office, as applicable,
14 substituted or added as a party.

15 (f) ADMINISTRATIVE PROCEDURE AND JUDICIAL
16 REVIEW.—Except as otherwise provided by this subtitle,
17 any statutory requirements relating to notice, hearings,
18 action upon the record, or administrative or judicial review
19 that apply to any function transferred by this subtitle shall
20 apply to the exercise of such function by the head of the
21 Federal agency, and other officers of the agency, to which
22 such function is transferred by this subtitle.

23 **SEC. 4744. TRANSFER OF ASSETS.**

24 Except as otherwise provided in this subtitle, so much
25 of the personnel, property, records, and unexpended bal-

1 ances of appropriations, allocations, and other funds em-
2 ployed, used, held, available, or to be made available in
3 connection with a function transferred to an official or
4 agency by this subtitle shall be available to the official or
5 the head of that agency, respectively, at such time or times
6 as the Director of the Office of Management and Budget
7 directs for use in connection with the functions trans-
8 ferred.

9 **SEC. 4745. DELEGATION AND ASSIGNMENT.**

10 Except as otherwise expressly prohibited by law or
11 otherwise provided in this subtitle, an official to whom
12 functions are transferred under this subtitle (including the
13 head of any office to which functions are transferred under
14 this subtitle) may delegate any of the functions so trans-
15 ferred to such officers and employees of the office of the
16 official as the official may designate, and may authorize
17 successive redelegations of such functions as may be nec-
18 essary or appropriate. No delegation of functions under
19 this section or under any other provision of this subtitle
20 shall relieve the official to whom a function is transferred
21 under this subtitle of responsibility for the administration
22 of the function.

1 **SEC. 4746. AUTHORITY OF DIRECTOR OF THE OFFICE OF**
2 **MANAGEMENT AND BUDGET WITH RESPECT**
3 **TO FUNCTIONS TRANSFERRED.**

4 (a) DETERMINATIONS.—If necessary, the Director of
5 the Office of Management and Budget shall make any de-
6 termination of the functions that are transferred under
7 this subtitle.

8 (b) INCIDENTAL TRANSFERS.—The Director of the
9 Office of Management and Budget, at such time or times
10 as the Director shall provide, may make such determina-
11 tions as may be necessary with regard to the functions
12 transferred by this subtitle, and to make such additional
13 incidental dispositions of personnel, assets, liabilities,
14 grants, contracts, property, records, and unexpended bal-
15 ances of appropriations, authorizations, allocations, and
16 other funds held, used, arising from, available to, or to
17 be made available in connection with such functions, as
18 may be necessary to carry out the provisions of this sub-
19 title. The Director shall provide for the termination of the
20 affairs of all entities terminated by this subtitle and for
21 such further measures and dispositions as may be nec-
22 essary to effectuate the purposes of this subtitle.

23 **SEC. 4747. CERTAIN VESTING OF FUNCTIONS CONSIDERED**
24 **TRANSFERS.**

25 For purposes of this subtitle, the vesting of a function
26 in a department or office pursuant to reestablishment of

1 an office shall be considered to be the transfer of the func-
2 tion.

3 **SEC. 4748. AVAILABILITY OF EXISTING FUNDS.**

4 Existing appropriations and funds available for the
5 performance of functions, programs, and activities termi-
6 nated pursuant to this subtitle shall remain available, for
7 the duration of their period of availability, for necessary
8 expenses in connection with the termination and resolution
9 of such functions, programs, and activities, subject to the
10 submission of a plan to the Committees on Appropriations
11 of the House and Senate in accordance with the proce-
12 dures set forth in section 605 of the Departments of Com-
13 merce, Justice, and State, the Judiciary, and Related
14 Agencies Appropriations Act, 1999, as contained in Public
15 Law 105–277.

16 **SEC. 4749. DEFINITIONS.**

17 For purposes of this subtitle—

18 (1) the term “function” includes any duty, obli-
19 gation, power, authority, responsibility, right, privi-
20 lege, activity, or program; and

21 (2) the term “office” includes any office, ad-
22 ministration, agency, bureau, institute, council, unit,
23 organizational entity, or component thereof.

1 **Subtitle H—Miscellaneous Patent**
2 **Provisions**

3 **SEC. 4801. PROVISIONAL APPLICATIONS.**

4 (a) ABANDONMENT.—Section 111(b)(5) of title 35,
5 United States Code, is amended to read as follows:

6 “(5) ABANDONMENT.—Notwithstanding the ab-
7 sence of a claim, upon timely request and as pre-
8 scribed by the Director, a provisional application
9 may be treated as an application filed under sub-
10 section (a). Subject to section 119(e)(3) of this title,
11 if no such request is made, the provisional applica-
12 tion shall be regarded as abandoned 12 months after
13 the filing date of such application and shall not be
14 subject to revival after such 12-month period.”.

15 (b) TECHNICAL AMENDMENT RELATING TO WEEK-
16 ENDS AND HOLIDAYS.—Section 119(e) of title 35, United
17 States Code, is amended by adding at the end the fol-
18 lowing:

19 “(3) If the day that is 12 months after the fil-
20 ing date of a provisional application falls on a Satur-
21 day, Sunday, or Federal holiday within the District
22 of Columbia, the period of pendency of the provi-
23 sional application shall be extended to the next suc-
24 ceeding secular or business day.”.

1 (c) ELIMINATION OF COPENDENCY REQUIRE-
2 MENT.—Section 119(e)(2) of title 35, United States Code,
3 is amended by striking “and the provisional application
4 was pending on the filing date of the application for patent
5 under section 111(a) or section 363 of this title”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on the date of the enactment
8 of this Act and shall apply to any provisional application
9 filed on or after June 8, 1995, except that the amend-
10 ments made by subsections (b) and (c) shall have no effect
11 with respect to any patent which is the subject of litigation
12 in an action commenced before such date of enactment.

13 **SEC. 4802. INTERNATIONAL APPLICATIONS.**

14 Section 119 of title 35, United States Code, is
15 amended as follows:

16 (1) In subsection (a), insert “or in a WTO
17 member country,” after “or citizens of the United
18 States,”.

19 (2) At the end of section 119 add the following
20 new subsections:

21 “(f) Applications for plant breeder’s rights filed in
22 a WTO member country (or in a foreign UPOV Con-
23 tracting Party) shall have the same effect for the purpose
24 of the right of priority under subsections (a) through (c)
25 of this section as applications for patents, subject to the

1 same conditions and requirements of this section as apply
2 to applications for patents.

3 “(g) As used in this section—

4 “(1) the term ‘WTO member country’ has the
5 same meaning as the term is defined in section
6 104(b)(2) of this title; and

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

10 **SEC. 4803. CERTAIN LIMITATIONS ON DAMAGES FOR PAT-**
11 **ENT INFRINGEMENT NOT APPLICABLE.**

12 Section 287(c)(4) of title 35, United States Code, is
13 amended by striking “before the date of enactment of this
14 subsection” and inserting “based on an application the
15 earliest effective filing date of which is prior to September
16 30, 1996”.

17 **SEC. 4804. ELECTRONIC FILING AND PUBLICATIONS.**

18 (a) **PRINTING OF PAPERS FILED.**—Section 22 of title
19 35, United States Code, is amended by striking “printed
20 or typewritten” and inserting “printed, typewritten, or on
21 an electronic medium”.

22 (b) **PUBLICATIONS.**—Section 11(a) of title 35, United
23 States Code, is amended by amending the matter pre-
24 ceding paragraph 1 to read as follows:

1 “(a) The Director may publish in printed, type-
2 written, or electronic form, the following:”.

3 (c) COPIES OF PATENTS FOR PUBLIC LIBRARIES.—

4 Section 13 of title 35, United States Code, is amended
5 by striking “printed copies of specifications and drawings
6 of patents” and inserting “copies of specifications and
7 drawings of patents in printed or electronic form”.

8 (d) MAINTENANCE OF COLLECTIONS.—

9 (1) ELECTRONIC COLLECTIONS.—Section
10 41(i)(1) of title 35, United States Code, is amended
11 by striking “paper or microform” and inserting
12 “paper, microform, or electronic”.

13 (2) CONTINUATION OF MAINTENANCE.—The
14 Under Secretary of Commerce for Intellectual Prop-
15 erty and Director of the United States Patent and
16 Trademark Office shall not, pursuant to the amend-
17 ment made by paragraph (1), cease to maintain, for
18 use by the public, paper or microform collections of
19 United States patents, foreign patent documents,
20 and United States trademark registrations, except
21 pursuant to notice and opportunity for public com-
22 ment and except that the Director shall first submit
23 a report to the Committees on the Judiciary of the
24 Senate and the House of Representatives detailing
25 such plan, including a description of the mechanisms

1 in place to ensure the integrity of such collections
2 and the data contained therein, as well as to ensure
3 prompt public access to the most current available
4 information, and certifying that the implementation
5 of such plan will not negatively impact the public.

6 **SEC. 4805. STUDY AND REPORT ON BIOLOGICAL DEPOSITS**
7 **IN SUPPORT OF BIOTECHNOLOGY PATENTS.**

8 (a) IN GENERAL.—Not later than 6 months after the
9 date of the enactment of this Act, the Comptroller General
10 of the United States, in consultation with the Under Sec-
11 retary of Commerce for Intellectual Property and Director
12 of the United States Patent and Trademark Office, shall
13 conduct a study and submit a report to Congress on the
14 potential risks to the United States biotechnology industry
15 relating to biological deposits in support of biotechnology
16 patents.

17 (b) CONTENTS.—The study conducted under this sec-
18 tion shall include—

19 (1) an examination of the risk of export and the
20 risk of transfers to third parties of biological depos-
21 its, and the risks posed by the change to 18-month
22 publication requirements made by this subtitle;

23 (2) an analysis of comparative legal and regu-
24 latory regimes; and

25 (3) any related recommendations.

1 (c) CONSIDERATION OF REPORT.—In drafting regu-
2 lations affecting biological deposits (including any modi-
3 fication of title 37, Code of Federal Regulations, section
4 1.801 et seq.), the United States Patent and Trademark
5 Office shall consider the recommendations of the study
6 conducted under this section.

7 **SEC. 4806. PRIOR INVENTION.**

8 Section 102(g) of title 35, United States Code, is
9 amended to read as follows:

10 “(g)(1) during the course of an interference con-
11 ducted under section 135 or section 291, another inventor
12 involved therein establishes, to the extent permitted in sec-
13 tion 104, that before such person’s invention thereof the
14 invention was made by such other inventor and not aban-
15 doned, suppressed, or concealed, or (2) before such per-
16 son’s invention thereof, the invention was made in this
17 country by another inventor who had not abandoned, sup-
18 pressed, or concealed it. In determining priority of inven-
19 tion under this subsection, there shall be considered not
20 only the respective dates of conception and reduction to
21 practice of the invention, but also the reasonable diligence
22 of one who was first to conceive and last to reduce to prac-
23 tice, from a time prior to conception by the other.”.

1 **SEC. 4807. PRIOR ART EXCLUSION FOR CERTAIN COM-**
 2 **MONLY ASSIGNED PATENTS.**

3 (a) **PRIOR ART EXCLUSION.**—Section 103(c) of title
 4 35, United States Code, is amended by striking “sub-
 5 section (f) or (g)” and inserting “one or more of sub-
 6 sections (e), (f), and (g)”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
 8 this section shall apply to any application for patent filed
 9 on or after the date of the enactment of this Act.

10 **SEC. 4808. EXCHANGE OF COPIES OF PATENTS WITH FOR-**
 11 **EIGN COUNTRIES.**

12 Section 12 of title 35, United States Code, is amend-
 13 ed by adding at the end the following: “The Director shall
 14 not enter into an agreement to provide such copies of spec-
 15 ifications and drawings of United States patents and ap-
 16 plications to a foreign country, other than a NAFTA coun-
 17 try or a WTO member country, without the express au-
 18 thorization of the Secretary of Commerce. For purposes
 19 of this section, the terms ‘NAFTA country’ and ‘WTO
 20 member country’ have the meanings given those terms in
 21 section 104(b).”.

22 **TITLE V—MISCELLANEOUS**
 23 **PROVISIONS**

24 **SEC. 5001. COMMISSION ON ONLINE CHILD PROTECTION.**

25 (a) **REFERENCES.**—Wherever in this section an
 26 amendment is expressed in terms of an amendment to any