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CONGRESSIONAL RECORD
PROCEEDINGS AND DEBATES OF THE 98TH CONGRESS

HOUSE

BILL	DATE	PAGE(S)
H.R.6286	OCT 17 '84 (135)	H12231-32

ACTION:

Patent Law Amendments: House agreed to Senate amendments numbered 1, 2, 3, 4, 5, 7, 8, and 9; and agreed, with an amendment, to Senate amendment numbered 6 to H.R. 6286, to amend title 35, United States Code, to increase the effectiveness of the patent laws—returning the measure to the Senate.

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PATENT LAW AMENDMENTS ACT OF 1984

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6286) to amend title 35, United States Code, to increase the effectiveness of the patent laws, and for other purposes, with the Senate amendments thereto, concur in Senate amendments 1 through 5 and 7 through 9 and concur with Senate amendment No. 6 with an amendment.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendments and the House amendment to the Senate amendment.

The Clerk read the Senate amendments and the House amendment to the Senate amendment, as follows:

Senate amendments:

Page 1, strike out all after line 8 over to and including line 6 on page 3 and insert:

SEC. 101. (a) Section 271 of title 35, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

"(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.".

Page 3, strike out line 11 and insert:

"§ 157. Statutory invention registration.".

Page 4, line 20, strike out "title."." and insert "title.".

Page 4, after line 20, insert:

"(d) The Secretary of Commerce shall report to the Congress annually on the use of statutory invention registrations. Such report shall include an assessment of the degree to which agencies of the federal government are making use of the statutory invention registration system, the degree to which it aids the management of federally developed technology, and an assessment of the cost savings to the Federal Government of the use of such procedures.".

Page 4, strike out the matter after line 23, and insert:

"§ 157. Statutory invention registration.".

Page 5, strike out all including line 1 down to and including line 24, and insert:

CONCURRENT TRADEMARK USE

SEC. 103. Section 2(d) of the Act of July 5, 1946, commonly known as the Lanham Act (15 U.S.C. 1052(d)), is amended by adding at the end of the first full sentence thereof the following: "Use prior to any filing date of a pending application or registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant.

Page 7, line 18, strike out all after "107." down to and including line 25 and insert:

(a) Subject to subsections (b), (c), (d) and (e) of this section, the amendments made by this Act shall apply to all United States patents granted before, on, or after the date of enactment of this Act, and to all applications for United States patents pending on or filed after the date of enactment.

Page 8, line 19, strike "section 103, 104, or 105" and insert "section 104 or 105".

Page 20, line 14, strike out "$1,000,000" and insert "$250,000".

House amendment to Senate amendment No. 6: That the House concur in Senate amendments (1) through (5) and (7) through (9), and that the House concur in Senate amendment (6) with an amendment as follows:

Strike out the matter proposed to be inserted by the Senate amendment.

Mr. KASTENMEIER (during the reading). Mr. Speaker, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

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

Mr. MOORHEAD. Reserving the right to object, Mr. Speaker, and I shall not object, I merely want to give the gentleman from Wisconsin an opportunity to explain what the bill does.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman from California yield?

Mr. MOORHEAD. I will be pleased to do so.

Mr. KASTENMEIER. Mr. Speaker, I am pleased to present to the House H.R. 6286, the Patent Law Amendments Act of 1984, as amended by the other body.

The amendment before us accepts the Senate amendments with one exception. Not included is a nongermane amendment to the Lanham Act.

The bill before us today satisfies the "public interest" test of patent law reform. The bill is likely to be seen by most observers as mundane or technical in nature. Each of the titles addresses a specific, narrow concern in the patent law. However, without enactment of these housekeeping-oriented measures, the patent system would not be responsive to the challenges of a changing world and the public would not benefit from the release of creative genius.

Now, let me turn to a very brief summary of the bill. I note parenthetically that the two most controversial provisions—relating to process patent protection and changes in the rules with respect to foreign license filing—have been omitted. No doubt these issues will be revisited next Congress.

Title I contains several important patent law improvements.

Section 101 of the bill provides that a product's patent cannot be avoided through the manufacture of component parts within the United States for assembly outside the United States.

Section 102 establishes a new procedure for a statutory invention registration, thereby creating an optional procedure by which an inventor may secure patent protection that is strictly defensive in nature. This new option will be very useful to those with limited resources such as universities and small businesses who will be able to select, in appropriate cases, a less expensive alternative to the more costly patent process.

Section 104 provides that unpublished information known to the inventor does not constitute prior art in the field of the invention, and therefore cannot serve to defeat the patentability of that invention. This latter change will be of material benefit to university and corporate research laboratories where the free exchange of ideas and concepts may have been

hampered by the current state of the law with respect to what constitutes "prior art."

Section 105 of the bill provides that the two or more inventors may obtain a patent jointly even though each inventor has not contributed to each and every "claim" found in the patent application. This technical amendment should also be of benefit to universities and corporations which rely on team research.

Section 106 authorizes parties involved in patent interferences to arbitrate such disputes. This change parallels a provision of Public Law 97-297 which authorizes arbitration with respect to questions of patentability.

Section 107 contains the effective date provisions for Title I.

Title II of H.R. 6286 is designed to improve administrative proceedings in the Patent and Trademark Office of the Department of Commerce for determining who is the first inventor of a given patentable invention. At present, these proceedings are known as interference proceedings. They are conducted in the Patent and Trademark Office between two or more adverse patent applicants or between one or more patent applicants and a patentee, all of whom are claiming the same patentable invention. Under existing law, the tribunal responsible for determining who is the first inventor, a Board of Patent Interferences, is not authorized to address all questions of patentability of the invention. This restriction on the Board's jurisdiction unduly complicates the procedures for obtaining patents for applicants involved in interference proceedings. By combining the Board of Patent Interferences with an existing board having patentability jurisdiction—the Board of Appeals of the Patent the Trademark Office—procedures for patent applicants and patentees involved in interferences will be simpler, more expeditious, and less costly.

Title III of the bill creates a National Commission on Employed Inventors Rights. During the past decade, the need to promote creativity and stimulate innovation have become catch phrases. Much debate has revolved around improving the patent and copyright systems, creating new forms of intellectual property, and establishing corporate incentives (such as tax and investment credits). Little discussion has occurred about how to accomplish agreed upon objectives at an employee level. The purpose of the Commission, therefore, is to focus and redirect attention on the issue of employed inventors' rights.

Title IV of the bill contains miscellaneous provisions designed to bring United States law into conformity with itnernational patent law and treaty obligations, to correct drafting mistakes in recently enacted public laws, and to augment the salary level of members of the Trademark Trial and Appeal Board.

Mr. Speaker, this concludes my summary of H.R. 6286, as amended.

The bill is appropriately called a "housekeeping" bill. Such a banal title, however, should not disguise the importance of several sections in the bill. It is critical that we keep our patent "house" in order. Increased innovation, better government, a satisfied public, improved economic health of the nation, and more jobs will be the result.

Considered as a whole, H.R. 6286 is a very important bill.

Mr. MOORHEAD. Further reserving the right to object, Mr. Speaker, I very strongly support the comments that have been made by the gentleman from Wisconsin. I think this is an excellent piece of legislation, but I do wish to protest and object to the kind of process we are in, where one person in the Senate can object to a provision in a bill that has been very heavily supported by this House and which would be supported by their House if it was given to their membership to vote on, but where at this late date one objection and a threat of a filibuster or a delaying tactic can knock out some very, very important legislation, and in knocking out the patent process section of this bill, I think they have done the people of American a great disservice.

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This was a very necessary piece of legislation to protect Americans who have produced process patents who are now being inundated with goods produced by those same process patents overseas, and brought into the United States with no way for us to protect our own manufacturers who are operating under a valid process patent.

I think it is a shame that this has happened. I hope that next year we can get a similar bill in on processed patenting, and we can get it in early enough so that we can truly get the voice of the other body rather than only one person that might protect.

Mr. KASTENMEIER. Will my friend from California yield?

Mr. MOORHEAD. I yield to the gentleman.

Mr. KASTENMEIER. I appreciate the gentleman's comments and I sympathize with him. And I believe that we would be able to return to these and other items which for one reason or another were not handled in final form this year in the next Congress.

Mr. KINDNESS. Will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

I just asked for this opportunity to express my very strong support of the statements made by the gentleman from California and the the gentleman from Wisconsin, that with respect to the process patent improvements to the law that have been taken out of the bill in the other body, this is most important to our balance of trade. Every little place where foreign manufactured goods that are manufactured in violation of a U.S. process patent are brought into the United States, it is taking U.S. jobs.

There is strong support for these improvements among organized labor people and among the chemical and drug manufacturing companies that are in the business of holding these process patents. There are other areas of manufacturing that are affected or that could be affected by the same problem, but the drug field is a very outstanding example of where the need exists for us to improve our law to keep it really in condition so as to be competitive in a world where the developments and technology that are made in the United States are being taken away by others.

I thank the gentleman for yielding.

Mr. MOORHEAD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

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

There was no objection.

A motion to reconsider was laid on the table.