

Union Calendar No. 486

99TH CONGRESS
2^D SESSION

H. R. 4899

[Report No. 99-807]

To amend title 35, United States Code, with respect to patented processes and the patent cooperation treaty.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1986

Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. FISH, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. COBLE, and Mr. SWINDALL) introduced the following bill; which was referred to the Committee on the Judiciary

SEPTEMBER 9, 1986

Additional sponsor: Mr. FRANK

SEPTEMBER 9, 1986

Reported with an amendment, Committed to the committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 22, 1986]

A BILL

To amend title 35, United States Code, with respect to patented processes and the patent cooperation treaty.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the "Patent Equity Act".*

3 **SEC. 2. REFERENCE TO TITLE 35, UNITED STATES CODE.**

4 *Whenever in this Act an amendment is expressed in*
5 *terms of an amendment to a section or other provision, the*
6 *reference shall be considered to be made to a section or other*
7 *provision of title 35, United States Code.*

8 **TITLE I—PATENTED PROCESSES**

9 **SEC. 101. RIGHTS OF OWNERS OF PATENTED PROCESSES.**

10 *Section 154 is amended by inserting after "United*
11 *States," the following: "and, if the invention is a process, of*
12 *the right to exclude others from using or selling throughout*
13 *the United States, or importing into the United States, prod-*
14 *ucts made by that process,".*

15 **SEC. 102. INFRINGEMENT FOR IMPORTATION OR SALE.**

16 *Section 271 is amended by adding at the end the follow-*
17 *ing new subsection:*

18 *"(g) Whoever without authority imports into the United*
19 *States or sells or uses within the United States a product*
20 *which is made by a process patented in the United States*
21 *shall be liable as an infringer, if the importation, sale, or use*
22 *of the product occurs during the term of such process patent.*
23 *In an action for infringement of a process patent, no remedy*
24 *may be granted for infringement on account of the use of a*
25 *product unless there is no adequate remedy under this title*
26 *for infringement on account of the importation or sale of that*

1 product. A product which is made by a patented process will,
 2 for purposes of this title, not be considered to be so made
 3 after—

4 “(1) it is materially changed by subsequent proc-
 5 esses; or

6 “(2) it becomes a minor or nonessential compo-
 7 nent of another product.”.

8 **SEC. 103. DAMAGES FOR INFRINGEMENT.**

9 Section 287 is amended—

10 (1) by inserting “(a)” before “Patentees”; and

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

12 “(b)(1) No damages may be recovered for an infringe-
 13 ment under section 271(g) of this title with respect to a prod-
 14 uct unless the infringer knew or was on notice that the prod-
 15 uct was made by a process patented in the United States.
 16 Damages may be recovered only for such infringement occur-
 17 ring after such knowledge or notice and, with respect to—

18 “(A) a product obtained before such knowledge or
 19 notice, or

20 “(B) a product which—

21 “(i) is purchased pursuant to a contract that
 22 is entered into before such knowledge or notice
 23 and that provides for the delivery of a fixed quan-
 24 tity of the product in a specified period of time,
 25 and

1 “(i) is in the inventory of or in transit to
2 the purchaser, or is received by the purchaser
3 within 6 months after such knowledge or notice,
4 shall be limited to reasonable royalties therefor.

5 “(2) For purposes of paragraph (1), ‘notice’ means the
6 receipt of facts set forth in writing which are sufficient to
7 establish that there is a substantial likelihood that the product
8 was made by an infringing process.”.

9 **SEC. 104. EFFECTIVE DATE.**

10 The amendments made by this title apply to United
11 States patents granted before, on, or after the date of the en-
12 actment of this Act, except that these amendments do not
13 apply to any product imported into or made in the United
14 States before such date.

15 **SEC. 105. REPORTS TO CONGRESS.**

16 (a) **CONTENTS.**—The Secretary of Commerce shall, not
17 later than the end of each one-year period described in sub-
18 section (b), report to the Congress on the effect of the amend-
19 ments made by this title on the importation of ingredients to
20 be used for manufacturing products in the United States in
21 those domestic industries that submit complaints to the De-
22 partment of Commerce, during that one-year period, alleging
23 that their legitimate sources of supply have been adversely
24 affected by the amendments made by this title.

1 **(b) WHEN SUBMITTED.**—*A report described in subsec-*
2 *tion (a) shall be submitted with respect to each of the five one-*
3 *year periods which occur successively beginning on the date*
4 *of the enactment of this Act and ending five years after that*
5 *date.*

6 **TITLE II—PATENT COOPERATION TREATY**
7 **AUTHORIZATION**

8 **SEC. 201. DEFINITIONS.**

9 **(a) TREATY.**—*Section 351(a) is amended by striking*
10 *“, excluding chapter II thereof”.*

11 **(b) REGULATIONS.**—*Section 351(b) is amended by*
12 *striking “excluding part C thereof”.*

13 **(c) INTERNATIONAL SEARCHING AUTHORITY AND**
14 **INTERNATIONAL PRELIMINARY EXAMINING AUTHOR-**
15 **ITY.**—*Section 351(g) is amended by striking “term ‘Intern-*
16 *ational Searching Authority’ means” and inserting “terms*
17 *‘International Searching Authority’ and ‘International Pre-*
18 *liminary Examining Authority’ mean”.*

19 **SEC. 202. TIME FOR FILING FEES.**

20 *Section 361(d) is amended to read as follows:*

21 **“(d) The international fee, and the transmittal and**
22 **search fees prescribed under section 376(a) of this part, shall**
23 **be paid either on filing of an international application or**
24 **within such later time as the Commissioner may prescribe.”.**

1 **SEC. 203. PATENT OFFICE AS INTERNATIONAL PRELIMINARY**
2 **EXAMINING AUTHORITY.**

3 (a) **AUTHORITY OF PATENT OFFICE.**—Section 362 is
4 amended to read as follows:

5 **“§ 362. International Searching Authority and International**
6 **Preliminary Examining Authority**

7 “(a) *The Patent and Trademark Office may act as an*
8 *International Searching Authority and an International*
9 *Preliminary Examining Authority with respect to interna-*
10 *tional applications in accordance with the terms and condi-*
11 *tions of an agreement which may be concluded with the*
12 *International Bureau, and may discharge all duties required*
13 *of such Authorities, including the collection of handling fees*
14 *and their transmittal to the International Bureau.*

15 “(b) *The handling fee, preliminary examination fee,*
16 *and any additional fees due for international preliminary ex-*
17 *amination shall be paid within such time as the Commission-*
18 *er may prescribe.”.*

19 (b) **CONFORMING AMENDMENT.**—*The item relating to*
20 *section 362 in the table of sections for chapter 36 is amended*
21 *to read as follows:*

“362. International Searching Authority and International Preliminary Examin-
ing Authority.”.

22 **SEC. 204. INTERNATIONAL STAGE: PROCEDURE.**

23 Section 364(a) is amended by striking “*or Internation-*
24 *al Searching Authority, or both,*” and inserting “*, an Inter-*

1 *national Searching Authority, or an International Prelimi-*
2 *nary Examining Authority,”.*

3 **SEC. 205. SECRECY OF INTERNATIONAL APPLICATIONS.**

4 *Section 368(c) is amended by striking “or International*
5 *Searching Authority, or both,” and inserting “, an Interna-*
6 *tional Searching Authority, or an International Preliminary*
7 *Examining Authority”.*

8 **SEC. 206. COMMENCEMENT OF NATIONAL STAGE.**

9 **(a) RECEIPT OF DOCUMENTS FROM THE INTERNA-**
10 **TIONAL BUREAU.**—*Subsection (a) of section 371 is amend-*
11 *ed to read as follows:*

12 *“(a) Receipt from the International Bureau of copies of*
13 *international applications with any amendments to the*
14 *claims, international search reports, and international pre-*
15 *liminary examination reports (including any annexes there-*
16 *to) may be required in the case of international applications*
17 *designating or electing the United States.”.*

18 **(b) TIME LIMIT FOR COMMENCEMENT OF NATIONAL**
19 **STAGE.**—*Subsection (b) of section 371 is amended to read*
20 *as follows:*

21 *“(b) Subject to subsection (f) of this section, the nation-*
22 *al stage shall commence with the expiration of the applicable*
23 *time limit under article 22 (1) or (2) or under article*
24 *39(1)(a) of the treaty.”.*

1 (c) *FILING OF ENGLISH TRANSLATION.*—Subsection
2 (c) of section 371 is amended—

3 (1) in paragraph (4) by striking the period and
4 inserting “; and”; and

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

6 “(5) a translation into the English language of
7 any annexes to the international preliminary examina-
8 tion report, if such annexes were made in another lan-
9 guage.”.

10 (d) *TIME PERIOD FOR SUBMISSION OF ANNEXES.*—

11 Subsection (d) of section 371 is amended by adding at the
12 end the following new sentence: “The requirement set forth in
13 subsection (c)(5) of this section shall be complied with at such
14 time as the Commissioner may prescribe, and failure to do so
15 shall be regarded as cancellation of the amendments made
16 under article 34(2)(b) of the treaty.”.

17 (e) *TIME PERIOD FOR PRESENTATION OF AMEND-*
18 *MENTS.*—Subsection (e) of section 371 is amended by insert-
19 ing “or article 41” after “28”.

20 *SEC. 207. FEES.*

21 (a) *HANDLING AND PRELIMINARY EXAMINATION*
22 *FEES.*—Subsection (a) of section 376 is amended—

23 (1) by striking “fee, which amount is” and insert-
24 ing “fee and the handling fee, which amounts are”;

1 (2) by redesignating paragraph (5) as paragraph
2 (6); and

3 (3) by inserting after paragraph (4) the following
4 new paragraph:

5 “(5) A preliminary examination fee and any ad-
6 ditional fees (see section 362(b)); and”.

7 (b) *PRESCRIPTION AND REFUNDABILITY OF FEES.*—
8 Subsection (b) of section 376 is amended—

9 (1) in the first sentence by inserting “and the
10 handling fee” after “international fee”; and

11 (2) in the third sentence by inserting “the prelim-
12 inary examination fee, and any additional fees,” after
13 “fee,”.

14 **SEC. 208. EFFECTIVE DATE.**

15 *The amendments made by this title—*

16 (1) shall take effect on the same day as the effec-
17 tive date of entry into force with respect to the United
18 States of chapter II of the Patent Cooperation Treaty,
19 on account of the withdrawal of the declaration under
20 article 64(1)(a) of the Patent Cooperation Treaty; and

21 (2) shall apply to all international applications
22 pending on or filed on or after the date on which the
23 amendments made by this title take effect.

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