

105TH CONGRESS
1ST SESSION

S. 507

To establish the United States Patent and Trademark Organization as a Government corporation, to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 20, 1997

Mr. HATCH introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To establish the United States Patent and Trademark Organization as a Government corporation, to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Omnibus Patent Act
5 of 1997”.

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1 **TITLE I—UNITED STATES PAT-** 2 **ENT AND TRADEMARK ORGA-** 3 **NIZATION**

4 **SEC. 101. SHORT TITLE.**

5 This title may be cited as the “United States Patent
6 and Trademark Organization Act of 1997”.

7 **Subtitle A—Establishment of the** 8 **United States Patent and Trade-** 9 **mark Organization**

10 **SEC. 111. ESTABLISHMENT OF THE UNITED STATES PAT-** 11 **ENT AND TRADEMARK ORGANIZATION AS A** 12 **GOVERNMENT CORPORATION.**

13 (a) ESTABLISHMENT.—The United States Patent
14 and Trademark Organization is established as a wholly
15 owned Government corporation subject to chapter 91 of
16 title 31, separate from any department, and shall be an

1 agency of the United States under the policy direction of
2 the Secretary of Commerce.

3 (b) OFFICES.—The United States Patent and Trade-
4 mark Organization shall maintain its principal office in
5 the District of Columbia, or the metropolitan area thereof,
6 for the service of process and papers and for the purpose
7 of carrying out its powers, duties, and obligations under
8 this title. The United States Patent and Trademark Orga-
9 nization shall be deemed, for purposes of venue in civil
10 actions, to be a resident of the district in which its prin-
11 cipal office is located except where jurisdiction is otherwise
12 provided by law. The United States Patent and Trade-
13 mark Organization may establish satellite offices in such
14 places as it considers necessary and appropriate in the
15 conduct of its business.

16 (c) REFERENCE.—For purposes of this title, a ref-
17 erence to the “Organization” shall be a reference to the
18 United States Patent and Trademark Organization, unless
19 the context provides otherwise.

20 **SEC. 112. POWERS AND DUTIES.**

21 (a) IN GENERAL.—The United States Patent and
22 Trademark Organization, under the policy direction of the
23 Secretary of Commerce, shall be responsible for—

24 (1) the granting and issuing of patents and the
25 registration of trademarks;

1 (2) conducting studies, programs, or exchanges
2 of items or services regarding domestic and inter-
3 national patent and trademark law, the administra-
4 tion of the Organization, or any other function vest-
5 ed in the Organization by law, including programs to
6 recognize, identify, assess, and forecast the tech-
7 nology of patented inventions and their utility to in-
8 dustry;

9 (3)(A) authorizing or conducting studies and
10 programs cooperatively with foreign patent and
11 trademark offices and international organizations, in
12 connection with the granting and issuing of patents
13 and the registration of trademarks; and

14 (B) with the concurrence of the Secretary of
15 State, authorizing the transfer of not to exceed
16 \$100,000 in any year to the Department of State
17 for the purpose of making special payments to inter-
18 national intergovernmental organizations for studies
19 and programs for advancing international coopera-
20 tion concerning patents, trademarks, and related
21 matters; and

22 (4) disseminating to the public information with
23 respect to patents and trademarks.

24 (b) SPECIAL PAYMENTS.—The special payments
25 under subsection (a)(3)(B) may be in addition to any

1 other payments or contributions to international organiza-
2 tions and shall not be subject to any limitations imposed
3 by law on the amounts of such other payments or con-
4 tributions by the United States Government.

5 (c) SPECIFIC POWERS.—The Organization—

6 (1) shall have perpetual succession;

7 (2) shall adopt and use a corporate seal, which
8 shall be judicially noticed and with which letters pat-
9 ent, certificates of trademark registrations, and pa-
10 pers issued by the Organization shall be authenti-
11 cated;

12 (3) may sue and be sued in its corporate name
13 and be represented by its own attorneys in all judi-
14 cial and administrative proceedings, subject to the
15 provisions of section 116;

16 (4) may indemnify the Director of the United
17 States Patent and Trademark Organization, the
18 Commissioner of Patents, the Commissioner of
19 Trademarks, and other officers, attorneys, agents,
20 and employees (including members of the Manage-
21 ment Advisory Boards of the Patent Office and the
22 Trademark Office) of the Organization for liabilities
23 and expenses incurred within the scope of their em-
24 ployment;

1 (5) may adopt, amend, and repeal bylaws, rules,
2 regulations, and determinations, which—

3 (A) shall govern the manner in which its
4 business will be conducted and the powers
5 granted to it by law will be exercised; and

6 (B) shall be made after notice and oppor-
7 tunity for full participation by interested public
8 and private parties;

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

14 (7)(A) may make such purchases, contracts for
15 the construction, maintenance, or management and
16 operation of facilities, and contracts for supplies or
17 services, without regard to the provisions of the Fed-
18 eral Property and Administrative Services Act of
19 1949 (40 U.S.C. 471 et seq.), the Public Buildings
20 Act (40 U.S.C. 601 et seq.), and the Stewart B.
21 McKinney Homeless Assistance Act (42 U.S.C.
22 11301 et seq.); and

23 (B) may enter into and perform such purchases
24 and contracts for printing services, including the
25 process of composition, platemaking, presswork, silk

1 screen processes, binding, microform, and the prod-
2 ucts of such processes, as it considers necessary to
3 carry out the functions of the Organization, without
4 regard to sections 501 through 517 and 1101
5 through 1123 of title 44, United States Code;

6 (8) may use, with their consent, services, equip-
7 ment, personnel, and facilities of other departments,
8 agencies, and instrumentalities of the Federal Gov-
9 ernment, on a reimbursable basis, and cooperate
10 with such other departments, agencies, and instru-
11 mentalities in the establishment and use of services,
12 equipment, and facilities of the Organization;

13 (9) may obtain from the Administrator of Gen-
14 eral Services such services as the Administrator is
15 authorized to provide to other agencies of the United
16 States, on the same basis as those services are pro-
17 vided to other agencies of the United States;

18 (10) may use, with the consent of the United
19 States and the agency, government, or international
20 organization concerned, the services, records, facili-
21 ties, or personnel of any State or local government
22 agency or instrumentality or foreign government or
23 international organization to perform functions on
24 its behalf;

1 (11) may determine the character of, and the
2 necessity for, its obligations and expenditures and
3 the manner in which they shall be incurred, allowed,
4 and paid, subject to the provisions of title 35, Unit-
5 ed States Code and the Act of July 5, 1946 (com-
6 monly referred to as the Trademark Act of 1946);

7 (12) may retain and use all of its revenues and
8 receipts, including revenues from the sale, lease, or
9 disposal of any real, personal, or mixed property, or
10 any interest therein, of the Organization, including
11 for research and development and capital invest-
12 ment, subject to the provisions of section 10101 of
13 the Omnibus Budget Reconciliation Act of 1990 (35
14 U.S.C. 41 note);

15 (13) shall have the priority of the United States
16 with respect to the payment of debts from bankrupt,
17 insolvent, and decedents' estates;

18 (14) may accept monetary gifts or donations of
19 services, or of real, personal, or mixed property, in
20 order to carry out the functions of the Organization;

21 (15) may execute, in accordance with its by-
22 laws, rules, and regulations, all instruments nec-
23 essary and appropriate in the exercise of any of its
24 powers; and

1 (16) may provide for liability insurance and in-
2 surance against any loss in connection with its prop-
3 erty, other assets, or operations either by contract or
4 by self-insurance.

5 (d) CONSTRUCTION.—Nothing in this section shall be
6 construed to nullify, void, cancel, or interrupt any pending
7 request-for-proposal let or contract issued by the General
8 Services Administration for the specific purpose of relocat-
9 ing or leasing space to the United States Patent and
10 Trademark Organization.

11 **SEC. 113. ORGANIZATION AND MANAGEMENT.**

12 (a) OFFICES.—The United States Patent and Trade-
13 mark Organization shall consist of—

- 14 (1) the Office of the Director;
15 (2) the United States Patent Office; and
16 (3) the United States Trademark Office.

17 (b) DIRECTOR.—

18 (1) IN GENERAL.—The management of the
19 United States Patent and Trademark Organization
20 shall be vested in a Director of the United States
21 Patent and Trademark Organization (hereafter in
22 this title referred to as the “Director”, unless the
23 context provides otherwise), who shall be a citizen of
24 the United States and who shall be appointed by the
25 President, by and with the advice and consent of the

1 Senate. The Director shall be a person who, by rea-
2 son of professional background and experience in
3 patent or trademark law, is especially qualified to
4 manage the Organization.

5 (2) DUTIES.—(A) The Director shall—

6 (i) be responsible for the Management and
7 direction of the Organization and shall perform
8 this duty in a fair, impartial, and equitable
9 manner; and

10 (ii) strive to meet the goals set forth in the
11 performance agreement described under para-
12 graph (4).

13 (B) The Director shall advise the President,
14 through and under the policy direction of the Sec-
15 retary of Commerce, of all activities of the Organiza-
16 tion undertaken in response to obligations of the
17 United States under treaties and executive agree-
18 ments, or which relate to cooperative programs with
19 those authorities of foreign governments that are re-
20 sponsible for granting patents or registering trade-
21 marks. The Director shall also recommend to the
22 President, through and under the policy direction of
23 the Secretary of Commerce, changes in law or policy
24 which may improve the ability of United States citi-

1 zens to secure and enforce patent and trademark
2 rights in the United States or in foreign countries.

3 (C)(i) At the direction of the President, the Di-
4 rector may represent the United States in inter-
5 national negotiations on matters of patents or trade-
6 marks, or may designate an officer or officers of the
7 Organization to participate in such negotiations.

8 (ii) Nothing in this subparagraph shall be con-
9 strued to alter any statutory responsibility of the
10 Secretary of State or the United States Trade Rep-
11 resentative.

12 (D) The Director, in consultation with the Di-
13 rector of the Office of Personnel Management, shall
14 maintain a program for identifying national security
15 positions and providing for appropriate security
16 clearances.

17 (E) The Director may perform such personnel,
18 procurement, and other functions, with respect to
19 the United States Patent Office and the United
20 States Trademark Office, where a centralized admin-
21 istration of such functions would improve the effi-
22 ciency of the Offices, as determined by agreement of
23 the Director, the Commissioner of Patents, and the
24 Commissioner of Trademarks.

1 (F) Except as otherwise provided in this title,
2 the Director shall ensure that—

3 (i) the United States Patent Office and the
4 United States Trademark Office, respectively,
5 shall—

6 (I) prepare all appropriation requests
7 under section 1108 of title 31, United
8 States Code, for each office for submission
9 by the Director;

10 (II) adjust fees to provide sufficient
11 revenues to cover the expenses of such of-
12 fice; and

13 (III) expend funds derived from such
14 fees for only the functions of such office;
15 and

16 (ii) each such office is not involved in the
17 management of any other office.

18 (3) OATH.—The Director shall, before taking
19 office, take an oath to discharge faithfully the duties
20 of the Organization.

21 (4) COMPENSATION.—The Director shall re-
22 ceive compensation at the rate of pay in effect for
23 level III of the Executive Schedule under section
24 5314 of title 5, United States Code and, in addition,
25 may receive as a bonus, an amount which would

1 raise total compensation to the equivalent of the
2 level of the rate of pay in effect for level II of the
3 Executive Schedule under section 5313 of title 5,
4 based upon an evaluation by the Secretary of Com-
5 merce of the Director's performance as defined in an
6 annual performance agreement between the Director
7 and the Secretary. The annual performance agree-
8 ment shall incorporate measurable goals as delin-
9 eated in an annual performance plan agreed to by
10 the Director and the Secretary.

11 (5) REMOVAL.—The Director shall serve at the
12 pleasure of the President.

13 (6) DESIGNEE OF DIRECTOR.—The Director
14 shall designate an officer of the Organization who
15 shall be vested with the authority to act in the ca-
16 pacity of the Director in the event of the absence or
17 incapacity of the Director.

18 (c) OFFICERS AND EMPLOYEES OF THE ORGANIZA-
19 TION.—

20 (1) COMMISSIONERS OF PATENTS AND TRADE-
21 MARKS.—The Director shall appoint a Commissioner
22 of Patents and a Commissioner of Trademarks
23 under section 3 of title 35, United States Code and
24 section 53 of the Act of July 5, 1946 (commonly re-

1 ferred to as the Trademark Act of 1946), respec-
2 tively, as amended by this Act.

3 (2) OTHER OFFICERS AND EMPLOYEES.—The
4 Director shall—

5 (A) appoint officers, employees (including
6 attorneys), and agents of the Organization as
7 the Director considers necessary to carry out its
8 functions;

9 (B) fix the compensation of such officers
10 and employees, except as provided in subsection
11 (e); and

12 (C) define the authority and duties of such
13 officers and employees and delegate to them
14 such of the powers vested in the Organization
15 as the Director may determine.

16 (3) PERSONNEL LIMITATIONS.—The Organiza-
17 tion shall not be subject to any administratively or
18 statutorily imposed limitation on positions or person-
19 nel, and no positions or personnel of the Organiza-
20 tion shall be taken into account for purposes of ap-
21 plying any such limitation.

22 (d) LIMITS ON COMPENSATION.—Except as other-
23 wise provided by law, the annual rate of basic pay of an
24 officer or employee of the Organization may not be fixed
25 at a rate that exceeds, and total compensation payable to

1 any such officer or employee for any year may not exceed,
2 the annual rate of basic pay in effect for level II of the
3 Executive Schedule under section 5313 of title 5, United
4 States Code. The Director shall prescribe such regulations
5 as may be necessary to carry out this subsection.

6 (e) INAPPLICABILITY OF TITLE 5, UNITED STATES
7 CODE, GENERALLY.—Except as otherwise provided in this
8 section, officers and employees of the Organization shall
9 not be subject to the provisions of title 5, United States
10 Code, relating to Federal employees.

11 (f) CONTINUED APPLICABILITY OF CERTAIN PROVI-
12 SION OF TITLE 5, UNITED STATES CODE.—

13 (1) IN GENERAL.—The following provisions of
14 title 5, United States Code, shall apply to the Orga-
15 nization and its officers and employees:

16 (A) Section 3110 (relating to employment
17 of relatives; restrictions).

18 (B) Subchapter II of chapter 55 (relating
19 to withholding pay).

20 (C) Subchapters II and III of chapter 73
21 (relating to employment limitations and political
22 activities, respectively).

23 (D) Chapter 71 (relating to labor-manage-
24 ment relations), subject to paragraph (2) and
25 subsection (g).

1 (E) Section 3303 (relating to political rec-
2 ommendations).

3 (F) Subchapter II of chapter 61 (relating
4 to flexible and compressed work schedules).

5 (G) Section 21302(b)(8) (relating to whis-
6 tleblower protection) and whistleblower related
7 provisions of chapter 12 (covering the role of
8 the Office of Special Counsel).

9 (2) COMPENSATION SUBJECT TO COLLECTIVE
10 BARGAINING.—

11 (A) IN GENERAL.—Notwithstanding any
12 other provision of law, for purposes of applying
13 chapter 71 of title 5, United States Code, pur-
14 suant to paragraph (1)(D), basic pay and other
15 forms of compensation shall be considered to be
16 among the matters as to which the duty to bar-
17 gain in good faith extends under such chapter.

18 (B) EXCEPTIONS.—The duty to bargain in
19 good faith shall not, by reason of subparagraph
20 (A), be considered to extend to any benefit
21 under title 5, United States Code, which is af-
22 farded by paragraph (1), (2), (3), or (4) of sub-
23 section (g).

1 (C) LIMITATIONS APPLY.—Nothing in this
2 subsection shall be considered to allow any limi-
3 tation under subsection (d) to be exceeded.

4 (g) PROVISIONS OF TITLE 5, UNITED STATES CODE,
5 THAT CONTINUE TO APPLY, SUBJECT TO CERTAIN RE-
6 QUIREMENTS.—

7 (1) RETIREMENT.—(A) The provisions of sub-
8 chapter III of chapter 83 and chapter 84 of title 5,
9 United States Code, shall apply to the Organization
10 and its officers and employees, subject to subpara-
11 graph (B).

12 (B)(i) The amount required of the Organization
13 under the second sentence of section 8334(a)(1) of
14 title 5, United States Code, with respect to any par-
15 ticular individual shall, instead of the amount which
16 would otherwise apply, be equal to the normal-cost
17 percentage (determined with respect to officers and
18 employees of the Organization using dynamic as-
19 sumptions, as defined by section 8401(9) of such
20 title) of the individual's basic pay, minus the amount
21 required to be withheld from such pay under such
22 section 8334(a)(1).

23 (ii) The amount required of the Organization
24 under section 8334(k)(1)(B) of title 5, United
25 States Code, with respect to any particular individ-

1 ual shall be equal to an amount computed in a man-
2 ner similar to that specified in clause (i), as deter-
3 mined in accordance with clause (iii).

4 (iii) Any regulations necessary to carry out this
5 subparagraph shall be prescribed by the Office of
6 Personnel Management.

7 (C) The United States Patent and Trademark
8 Organization may supplement the benefits provided
9 under the preceding provisions of this paragraph.

10 (2) HEALTH BENEFITS.—(A) The provisions of
11 chapter 89 of title 5, United States Code, shall
12 apply to the Organization and its officers and em-
13 ployees, subject to subparagraph (B).

14 (B)(i) With respect to any individual who be-
15 comes an officer or employee of the Organization
16 pursuant to subsection (i), the eligibility of such in-
17 dividual to participate in such program as an annu-
18 itant (or of any other person to participate in such
19 program as an annuitant based on the death of such
20 individual) shall be determined disregarding the re-
21 quirements of section 8905(b) of title 5, United
22 States Code. The preceding sentence shall not apply
23 if the individual ceases to be an officer or employee
24 of the Organization for any period of time after be-

1 coming an officer or employee of the Organization
2 pursuant to subsection (i) and before separation.

3 (ii) The Government contributions authorized
4 by section 8906 of title 5, United States Code, for
5 health benefits for anyone participating in the health
6 benefits program pursuant to this subparagraph
7 shall be made by the Organization in the same man-
8 ner as provided under section 8906(g)(2) of such
9 title with respect to the United States Postal Service
10 for individuals associated therewith.

11 (iii) For purposes of this subparagraph, the
12 term “annuitant” has the meaning given such term
13 by section 8901(3) of title 5, United States Code.

14 (C) The Organization may supplement the ben-
15 efits provided under the preceding provisions of this
16 paragraph.

17 (3) LIFE INSURANCE.—(A) The provisions of
18 chapter 87 of title 5, United States Code, shall
19 apply to the Organization and its officers and em-
20 ployees, subject to subparagraph (B).

21 (B)(i) Eligibility for life insurance coverage
22 after retirement or while in receipt of compensation
23 under subchapter I of chapter 81 of title 5, United
24 States Code, shall be determined, in the case of any
25 individual who becomes an officer or employee of the

1 Organization pursuant to subsection (i), without re-
2 gard to the requirements of section 8706(b) (1) or
3 (2) of such title, but subject to the condition speci-
4 fied in the last sentence of paragraph (2)(B)(i) of
5 this subsection.

6 (ii) Government contributions under section
7 8708(d) of such title on behalf of any such individ-
8 ual shall be made by the Organization in the same
9 manner as provided under paragraph (3) thereof
10 with respect to the United States Postal Service for
11 individuals associated therewith.

12 (C) The Organization may supplement the ben-
13 efits provided under the preceding provisions of this
14 paragraph.

15 (4) EMPLOYEES' COMPENSATION FUND.—(A)
16 Officers and employees of the Organization shall not
17 become ineligible to participate in the program
18 under chapter 81 of title 5, United States Code, re-
19 lating to compensation for work injuries, by reason
20 of subsection (e).

21 (B) The Organization shall remain responsible
22 for reimbursing the Employees' Compensation Fund,
23 pursuant to section 8147 of title 5, United States
24 Code, for compensation paid or payable after the ef-
25 fective date of this title in accordance with chapter

1 81 of title 5, United States Code, with regard to any
2 injury, disability, or death due to events arising be-
3 fore such date, whether or not a claim has been filed
4 or is final on such date.

5 (h) LABOR-MANAGEMENT RELATIONS.—

6 (1) LABOR RELATIONS AND EMPLOYEE RELA-
7 TIONS PROGRAMS.—The Organization shall develop
8 hiring practices, labor relations and employee rela-
9 tions programs with the objective of improving pro-
10 ductivity and efficiency, incorporating the following
11 principles:

12 (A) Such programs shall be consistent with
13 the merit principles in section 2301(b) of title
14 5, United States Code.

15 (B) Such programs shall provide veterans
16 preference protections equivalent to those estab-
17 lished by sections 2108, 3308 through 3318,
18 3320, 3502, and 3504 of title 5, United States
19 Code.

20 (C)(i) The right to work shall not be sub-
21 ject to undue restraint or coercion. The right to
22 work shall not be infringed or restricted in any
23 way based on membership in, affiliation with, or
24 financial support of a labor organization.

1 (ii) No person shall be required, as a con-
2 dition of employment or continuation of employ-
3 ment—

4 (I) to resign or refrain from voluntary
5 membership in, voluntary affiliation with,
6 or voluntary financial support of a labor
7 organization;

8 (II) to become or remain a member of
9 a labor organization;

10 (III) to pay any dues, fees, assess-
11 ments, or other charges of any kind or
12 amount to a labor organization;

13 (IV) to pay to any charity or other
14 third party, in lieu of such payments, any
15 amount equivalent to or a pro rata portion
16 of dues, fees, assessments, or other charges
17 regularly required of members of a labor
18 organization; or

19 (V) to be recommended, approved, re-
20 ferred, or cleared by or through a labor or-
21 ganization.

22 (iii) This subparagraph shall not apply to
23 a person described in section 7103(a)(2)(v) of
24 title 5, United States Code, or a “supervisor”,
25 “management official”, or “confidential em-

1 ployee” as those terms are defined in 7103(a)
2 (10), (11), and (13) of such title.

3 (iv) Any labor organization recognized by
4 the Organization as the exclusive representative
5 of a unit of employees of the Organization shall
6 represent the interests of all employees in that
7 unit without discrimination and without regard
8 to labor organization membership.

9 (2) ADOPTION OF EXISTING LABOR AGREE-
10 MENTS.—The Organization shall adopt all labor
11 agreements which are in effect, as of the day before
12 the effective date of this title, with respect to such
13 Organization (as then in effect).

14 (i) CARRYOVER OF PERSONNEL.—

15 (1) FROM PTO.—Effective as of the effective
16 date of this title, all officers and employees of the
17 Patent and Trademark Office on the day before
18 such effective date shall become officers and employ-
19 ees of the Organization, without a break in service.

20 (2) OTHER PERSONNEL.—(A) Any individual
21 who, on the day before the effective date of this title,
22 is an officer or employee of the Department of Com-
23 merce (other than an officer or employee under
24 paragraph (1)) shall be transferred to the Organiza-
25 tion if—

1 (i) such individual serves in a position for
2 which a major function is the performance of
3 work reimbursed by the Patent and Trademark
4 Office, as determined by the Secretary of Com-
5 merce;

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

11 (iii) such transfer would be in the interest
12 of the Organization, as determined by the Sec-
13 retary of Commerce in consultation with the Di-
14 rector.

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

19 (3) ACCUMULATED LEAVE.—The amount of
20 sick and annual leave and compensatory time accu-
21 mulated under title 5, United States Code, before
22 the effective date described in paragraph (1), by any
23 individual who becomes an officer or employee of the
24 Organization under this subsection, are obligations
25 of the Organization.

1 (4) TERMINATION RIGHTS.—Any employee re-
2 ferred to in paragraph (1) or (2) of this subsection
3 whose employment with the Organization is termi-
4 nated during the 1-year period beginning on the ef-
5 fective date of this title shall be entitled to rights
6 and benefits, to be afforded by the Organization,
7 similar to those such employee would have had
8 under Federal law if termination had occurred im-
9 mediately before such date. An employee who would
10 have been entitled to appeal any such termination to
11 the Merit Systems Protection Board, if such termi-
12 nation had occurred immediately before such effec-
13 tive date, may appeal any such termination occur-
14 ring within such 1-year period to the Board under
15 such procedures as it may prescribe.

16 (5) TRANSITION PROVISIONS.—(A)(i) On or
17 after the effective date of this title, the President
18 shall appoint a Director of the United States Patent
19 and Trademark Organization who shall serve until
20 the earlier of—

21 (I) the date on which a Director qualifies
22 under subsection (a); or

23 (II) the date occurring 1 year after the ef-
24 fective date of this title.

1 (ii) The President shall not make more than 1
2 appointment under this subparagraph.

3 (B) The individual serving as the Assistant
4 Commissioner of Patents on the day before the ef-
5 fective date of this title shall serve as the Commis-
6 sioner of Patents until the date on which a Commis-
7 sioner of Patents is appointed under section 3 of
8 title 35, United States Code, as amended by this
9 Act.

10 (C) The individual serving as the Assistant
11 Commissioner of Trademarks on the day before the
12 effective date of this title shall serve as the Commis-
13 sioner of Trademarks until the date on which a
14 Commissioner of Trademarks is appointed under
15 section 53 of the Act of July 5, 1946 (commonly re-
16 ferred to as the Trademark Act of 1946), as amend-
17 ed by this Act.

18 (j) COMPETITIVE STATUS.—For purposes of appoint-
19 ment to a position in the competitive service for which an
20 officer or employee of the Organization is qualified, such
21 officer or employee shall not forfeit any competitive status,
22 acquired by such officer or employee before the effective
23 date of this title, by reason of becoming an officer or em-
24 ployee of the Organization under subsection (i).

1 (k) SAVINGS PROVISIONS.—Compensation, benefits,
2 and other terms and conditions of employment in effect
3 immediately before the effective date of this title, whether
4 provided by statute or by rules and regulations of the
5 former Patent and Trademark Office or the executive
6 branch of the Government of the United States, shall con-
7 tinue to apply to officers and employees of the Organiza-
8 tion, until changed in accordance with this section (wheth-
9 er by action of the Director or otherwise).

10 (l) REMOVAL OF QUASI-JUDICIAL EXAMINERS.—The
11 Organization may remove a patent examiner or examiner-
12 in-chief, or a trademark examiner or member of a Trade-
13 mark Trial and Appeal Board only for such cause as will
14 promote the efficiency of the Organization.

15 **SEC. 114. UNITED STATES PATENT OFFICE.**

16 (a) ESTABLISHMENT OF THE PATENT OFFICE AS A
17 SEPARATE ADMINISTRATIVE UNIT.—Section 1 of title 35,
18 United States Code, is amended to read as follows:

19 **“§ 1. Establishment**

20 “(a) ESTABLISHMENT.—The United States Patent
21 Office is established as a separate administrative unit of
22 the United States Patent and Trademark Organization,
23 where records, books, drawings, specifications, and other
24 papers and things pertaining to patents shall be kept and
25 preserved, except as otherwise provided by law.

1 “(b) REFERENCE.—For purposes of this title, the
2 United States Patent Office shall also be referred to as
3 the ‘Office’ and the ‘Patent Office’.”.

4 (b) POWERS AND DUTIES.—Section 2 of title 35,
5 United States Code, is amended to read as follows:

6 **“§ 2. Powers and duties**

7 “The United States Patent Office, under the policy
8 direction of the Secretary of Commerce through the Direc-
9 tor of the United States Patent and Trademark Organiza-
10 tion, shall be responsible for—

11 “(1) granting and issuing patents;

12 “(2) conducting studies, programs, or ex-
13 changes of items or services regarding domestic and
14 international patent law, the administration of the
15 Organization, or any other function vested in the
16 Organization by law, including programs to recog-
17 nize, identify, assess, and forecast the technology of
18 patented inventions and their utility to industry;

19 “(3) authorizing or conducting studies and pro-
20 grams cooperatively with foreign patent offices and
21 international organizations, in connection with the
22 granting and issuing of patents; and

23 “(4) disseminating to the public information
24 with respect to patents.

1 (c) ORGANIZATION AND MANAGEMENT.—Section 3 of
2 title 35, United States Code, is amended to read as fol-
3 lows:

4 **“§ 3. Officers and employees**

5 “(a) COMMISSIONER.—

6 “(1) IN GENERAL.—The management of the
7 United States Patent Office shall be vested in a
8 Commissioner of Patents, who shall be a citizen of
9 the United States and who shall be appointed by the
10 Director of the United States Patent and Trade-
11 mark Organization and shall serve at the pleasure of
12 the Director of the United States Patent and Trade-
13 mark Organization. The Commissioner of Patents
14 shall be a person who, by reason of professional
15 background and experience in patent law, is espe-
16 cially qualified to manage the Office.

17 “(2) DUTIES.—

18 “(A) IN GENERAL.—The Commissioner
19 shall be responsible for all aspects of the man-
20 agement, administration, and operation of the
21 Office, including the granting and issuing of
22 patents, and shall perform these duties in a
23 fair, impartial, and equitable manner.

24 “(B) ADVISING THE DIRECTOR OF THE
25 UNITED STATES PATENT AND TRADEMARK OR-

1 GANIZATION.—The Commissioner of Patents
2 shall advise the Director of the United States
3 Patent and Trademark Organization of all ac-
4 tivities of the Office undertaken in response to
5 obligations of the United States under treaties
6 and executive agreements, or which relate to co-
7 operative programs with those authorities of
8 foreign governments that are responsible for
9 granting patents. The Commissioner of Patents
10 shall advise the Director of the United States
11 Patent and Trademark Organization on matters
12 of patent law and shall recommend to the Di-
13 rector of the United States Patent and Trade-
14 mark Organization changes in law or policy
15 which may improve the ability of United States
16 citizens to secure and enforce patent rights in
17 the United States or in foreign countries.

18 “(C) REGULATIONS.—The Commissioner
19 may establish regulations, not inconsistent with
20 law, for the conduct of proceedings in the Pat-
21 ent Office. The Director of the United States
22 Patent and Trademark Organization shall de-
23 termine whether such regulations are consistent
24 with the policy direction of the Secretary of
25 Commerce.

1 “(D) CONSULTATION WITH THE MANAGE-
2 MENT ADVISORY BOARD.—(i) The Commis-
3 sioner shall consult with the Management Advi-
4 sory Board established in section 5—

5 “(I) on a regular basis on matters re-
6 lating to the operation of the Office; and

7 “(II) before submitting budgetary
8 proposals to the Director of the United
9 States Patent and Trademark Organiza-
10 tion for submission to the Office of Man-
11 agement and Budget or changing or pro-
12 posing to change patent user fees or patent
13 regulations.

14 “(ii) The Director of the United States
15 Patent and Trademark Organization shall de-
16 termine whether such fees or regulations are
17 consistent with the policy direction of the Sec-
18 retary of Commerce.

19 “(3) OATH.—The Commissioner shall, before
20 taking office, take an oath to discharge faithfully the
21 duties of the Office.

22 “(4) COMPENSATION.—

23 “(A) IN GENERAL.—The Commissioner
24 shall receive compensation at the rate of pay in

1 effect for level IV of the Executive Schedule
2 under section 5315 of title 5.

3 “(B) BONUS.—In addition to compensa-
4 tion under subparagraph (A), the Commissioner
5 may, at the discretion of the Director of the
6 United States Patent and Trademark Organiza-
7 tion, receive as a bonus, an amount which
8 would raise total compensation to the equivalent
9 of the rate of pay in effect for level III of the
10 Executive Schedule under section 5314 of title
11 5.

12 “(b) OFFICERS AND EMPLOYEES.—The Commis-
13 sioner shall appoint a Deputy Commissioner of Patents
14 who shall be vested with the authority to act in the capac-
15 ity of the Commissioner in the event of the absence or
16 incapacity of the Commissioner. In the event of a vacancy
17 in the office of Commissioner, the Deputy Commissioner
18 shall fill the office of Commissioner until a new Commis-
19 sioner is appointed and takes office. Other officers, attor-
20 neys, employees, and agents shall be selected and ap-
21 pointed by the Commissioner, and shall be vested with
22 such powers and duties as the Commissioner may deter-
23 mine.”.

1 (d) MANAGEMENT ADVISORY BOARD.—Chapter 1 of
2 part I of title 35, United States Code, is amended by in-
3 serting after section 4 the following:

4 **“§ 5. Patent Office Management Advisory Board**

5 “(a) ESTABLISHMENT OF MANAGEMENT ADVISORY
6 BOARD.—

7 “(1) APPOINTMENT.—The United States Pat-
8 ent Office shall have a Management Advisory Board
9 (hereafter in this title referred to as the ‘Advisory
10 Board’) of 5 members, who shall be appointed by the
11 President and shall serve at the pleasure of the
12 President. Not more than 3 of the 5 members shall
13 be members of the same political party.

14 “(2) CHAIR.—The President shall designate a
15 Chair of the Advisory Board, whose term as chair
16 shall be for 3 years.

17 “(3) TIMING OF APPOINTMENTS.—Initial ap-
18 pointments to the Advisory Board shall be made
19 within 3 months after the effective date of the Unit-
20 ed States Patent and Trademark Organization Act
21 of 1997. Vacancies shall be filled in the manner in
22 which the original appointment was made under this
23 subsection within 3 months after they occur.

24 “(b) BASIS FOR APPOINTMENTS.—Members of the
25 Advisory Board shall be citizens of the United States who

1 shall be chosen so as to represent the interests of diverse
2 users of the United States Patent Office, and shall include
3 individuals with substantial background and achievement
4 in corporate finance and management.

5 “(c) MEETINGS.—The Advisory Board shall meet at
6 the call of the Chair to consider an agenda set by the
7 Chair.

8 “(d) DUTIES.—The Advisory Board shall—

9 “(1) review the policies, goals, performance,
10 budget, and user fees of the United States Patent
11 Office, and advise the Commissioner on these mat-
12 ters;

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

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

17 “(B) transmit the report to the Director of
18 the United States Patent and Trademark Orga-
19 nization, the President, and the Committees on
20 the Judiciary of the Senate and the House of
21 Representatives; and

22 “(C) publish the report in the Patent Of-
23 fice Official Gazette.

24 “(f) COMPENSATION.—Each member of the Advisory
25 Board shall be compensated for each day (including travel

1 time) during which such member is attending meetings or
2 conferences of the Advisory Board or otherwise engaged
3 in the business of the Advisory Board, at the rate which
4 is the daily equivalent of the annual rate of basic pay in
5 effect for level III of the Executive Schedule under section
6 5314 of title 5, and while away from such member's home
7 or regular place of business such member may be allowed
8 travel expenses, including per diem in lieu of subsistence,
9 as authorized by section 5703 of title 5.

10 “(g) ACCESS TO INFORMATION.—Members of the Ad-
11 visory Board shall be provided access to records and infor-
12 mation in the United States Patent Office, except for per-
13 sonnel or other privileged information and information
14 concerning patent applications required to be kept in con-
15 fidence by section 122.”.

16 (e) CONFORMING AMENDMENTS.—Section 6 of title
17 35, United States Code, and the item relating to such sec-
18 tion in the table of contents for chapter 1 of title 35, Unit-
19 ed States Code, are repealed.

20 (f) BOARD OF PATENT APPEALS AND INTER-
21 FERENCES.—Section 7 of title 35, United States Code, is
22 amended to read as follows:

23 **“§ 7. Board of Patent Appeals and Interferences**

24 “(a) ESTABLISHMENT AND COMPOSITION.—There
25 shall be in the United States Patent Office a Board of

1 Patent Appeals and Interferences. The Commissioner, the
2 Deputy Commissioner, and the examiners-in-chief shall
3 constitute the Board. The examiners-in-chief shall be per-
4 sons of competent legal knowledge and scientific ability.

5 “(b) DUTIES.—

6 “(1) IN GENERAL.—The Board of Patent Ap-
7 peals and Interferences shall, on written appeal of
8 an applicant, a patent owner, or a third-party re-
9 quester in a reexamination proceeding—

10 “(A) review adverse decisions of examin-
11 ers—

12 “(i) upon applications for patents; and

13 “(ii) in reexamination proceedings;

14 and

15 “(B) determine priority and patentability
16 of invention in interferences declared under sec-
17 tion 135(a).

18 “(2) HEARINGS.—Each appeal and interference
19 shall be heard by at least 3 members of the Board,
20 who shall be designated by the Deputy Commis-
21 sioner. Only the Board of Patent Appeals and Inter-
22 ferences may grant rehearings.”.

23 (g) ANNUAL REPORT OF COMMISSIONER.—Section
24 14 of title 35, United States Code, is amended to read
25 as follows:

1 **“§ 14. Annual report to Congress**

2 “The Commissioner shall report to the Director of
3 the United States Patent and Trademark Organization
4 such information as the Director is required to submit to
5 Congress annually under chapter 91 of title 31, includ-
6 ing—

7 “(1) the total of the moneys received and ex-
8 pended by the Office;

9 “(2) the purposes for which the moneys were
10 spent;

11 “(3) the quality and quantity of the work of the
12 Office; and

13 “(4) other information relating to the Office.”.

14 (h) PRACTICE BEFORE PATENT OFFICE.—

15 (1) IN GENERAL.—Section 31 of title 35, Unit-
16 ed States Code, is amended to read as follows:

17 **“§ 31. Regulations for agents and attorneys**

18 “The Commissioner may prescribe regulations gov-
19 erning the recognition and conduct of agents, attorneys,
20 or other persons representing applicants or other parties
21 before the Office. The regulations may require such per-
22 sons, before being recognized as representatives of appli-
23 cants or other persons, to show that they are of good
24 moral character and reputation and are possessed of the
25 necessary qualifications to render to applicants or other
26 persons valuable service, advice, and assistance in the

1 presentation or prosecution of their applications or other
2 business before the Office.”.

3 (2) DESIGNATION OF ATTORNEY TO CONDUCT
4 HEARING.—Section 32 of title 35, United States
5 Code, is amended in the first sentence by striking
6 “Patent and Trademark Office” and inserting “Pat-
7 ent Office” and by inserting before the last sentence
8 the following: “The Commissioner shall have the dis-
9 cretion to designate any attorney who is an officer
10 or employee of the United States Patent Office to
11 conduct the hearing required by this section.”.

12 (i) FUNDING.—

13 (1) ADJUSTMENT OF FEES.—Section 41(f) of
14 title 35, United States Code, is amended to read as
15 follows:

16 “(f) The Commissioner, after consulting with the
17 Patent Office Management Advisory Board pursuant to
18 section 3(a)(2)(C) of this title and after notice and oppor-
19 tunity for full participation by interested public and pri-
20 vate parties, may, by regulation, adjust the fees estab-
21 lished in this section. The Director of the United States
22 Patent and Trademark Organization shall determine
23 whether such fees are consistent with the policy direction
24 of the Secretary of Commerce.”.

1 (2) PATENT OFFICE FUNDING.—Section 42 of
2 title 35, United States Code, is amended to read as
3 follows:

4 **“§ 42. Patent Office funding**

5 “(a) FEES PAYABLE TO THE OFFICE.—All fees for
6 services performed by or materials furnished by the Unit-
7 ed States Patent Office shall be payable to the Office.

8 “(b) USE OF MONEYS.—Moneys from fees shall be
9 available to the United States Patent Office to carry out,
10 to the extent provided in appropriations Acts, the func-
11 tions of the Office. Moneys of the Office not otherwise
12 used to carry out the functions of the Office shall be kept
13 in cash on hand or on deposit, or invested in obligations
14 of the United States or guaranteed by the United States,
15 or in obligations or other instruments which are lawful in-
16 vestments for fiduciary, trust, or public funds. Fees avail-
17 able to the Commissioner under this title shall be used
18 only for the processing of patent applications and for other
19 services and materials relating to patents.

20 “(c) CONTRIBUTION TO THE OFFICE OF THE DIREC-
21 TOR OF THE UNITED STATES PATENT AND TRADEMARK
22 ORGANIZATION.—The Patent Office shall contribute 50
23 percent of the annual budget of the Office of the Director
24 of the United States Patent and Trademark Organiza-
25 tion.”.

1 **SEC. 115. UNITED STATES TRADEMARK OFFICE.**

2 (a) ESTABLISHMENT OF THE UNITED STATES
3 TRADEMARK OFFICE AS A SEPARATE ADMINISTRATIVE
4 UNIT.—The Act of July 5, 1946 (commonly referred to
5 as the Trademark Act of 1946) is amended—

6 (1) by redesignating titles X and XI as titles XI
7 and XII, respectively;

8 (2) by redesignating sections 45, 46, 47, 48,
9 49, 50, and 51 as sections 61, 71, 72, 73, 74, 75,
10 and 76, respectively; and

11 (3) by inserting after title IX the following new
12 title:

13 **“TITLE X—UNITED STATES**
14 **TRADEMARK OFFICE**

15 **“SEC. 51. ESTABLISHMENT.**

16 “(a) ESTABLISHMENT.—The United States Trade-
17 mark Office is established as a separate administrative
18 unit of the United States Patent and Trademark Organi-
19 zation.

20 “(b) REFERENCE.—For purposes of this chapter, the
21 United States Trademark Office shall also be referred to
22 as the ‘Office’ and the ‘Trademark Office’.

23 **“SEC. 52. POWERS AND DUTIES.**

24 “The United States Trademark Office, under the pol-
25 icy direction of the Secretary of Commerce through the

1 Director of the United States Patent and Trademark Or-
2 ganization, shall be responsible for—

3 “(1) the registration of trademarks;

4 “(2) conducting studies, programs, or ex-
5 changes of items or services regarding domestic and
6 international trademark law or the administration of
7 the Office;

8 “(3) authorizing or conducting studies and pro-
9 grams cooperatively with foreign trademark offices
10 and international organizations, in connection with
11 the registration of trademarks; and

12 “(4) disseminating to the public information
13 with respect to trademarks.

14 **“SEC. 53. OFFICERS AND EMPLOYEES.**

15 “(a) COMMISSIONER.—

16 “(1) IN GENERAL.—The management of the
17 United States Trademark Office shall be vested in a
18 Commissioner of Trademarks, who shall be a citizen
19 of the United States and who shall be appointed by
20 the Director of the United States Patent and Trade-
21 mark Organization and shall serve at the pleasure of
22 the Director of the United States Patent and Trade-
23 mark Organization. The Commissioner of Trade-
24 marks shall be a person who, by reason of profes-

1 sional background and experience in trademark law,
2 is especially qualified to manage the Office.

3 “(2) DUTIES.—

4 “(A) IN GENERAL.—The Commissioner
5 shall be responsible for all aspects of the man-
6 agement, administration, and operation of the
7 Office, including the registration of trademarks,
8 and shall perform these duties in a fair, impar-
9 tial, and equitable manner.

10 “(B) ADVISING THE DIRECTOR OF THE
11 UNITED STATES PATENT AND TRADEMARK OR-
12 GANIZATION.—The Commissioner of Trade-
13 marks shall advise the Director of the United
14 States Patent and Trademark Organization of
15 all activities of the Office undertaken in re-
16 sponse to obligations of the United States
17 under treaties and executive agreements, or
18 which relate to cooperative programs with those
19 authorities of foreign governments that are re-
20 sponsible for registering trademarks. The Com-
21 missioner of Trademarks shall advise the Direc-
22 tor of the United States Patent and Trademark
23 Organization on matters of trademark law and
24 shall recommend to the Director of the United
25 States Patent and Trademark Organization

1 changes in law or policy which may improve the
2 ability of United States citizens to secure and
3 enforce trademark rights in the United States
4 or in foreign countries.

5 “(C) REGULATIONS.—The Commissioner
6 may establish regulations, not inconsistent with
7 law, for the conduct of proceedings in the
8 Trademark Office. The Director of the United
9 States Patent and Trademark Organization
10 shall determine whether such regulations are
11 consistent with the policy direction of the Sec-
12 retary of Commerce.

13 “(D) CONSULTATION WITH THE MANAGE-
14 MENT ADVISORY BOARD.—(i) The Commis-
15 sioner shall consult with the Trademark Office
16 Management Advisory Board established under
17 section 54—

18 “(I) on a regular basis on matters re-
19 lating to the operation of the Office; and

20 “(II) before submitting budgetary
21 proposals to the Director of the United
22 States Patent and Trademark Organiza-
23 tion for submission to the Office of Man-
24 agement and Budget or changing or pro-

1 posing to change trademark user fees or
2 trademark regulations.

3 “(ii) The Director of the United States
4 Patent and Trademark Organization shall de-
5 termine whether such fees or regulations are
6 consistent with the policy direction of the Sec-
7 retary of Commerce.

8 “(E) PUBLICATIONS.—(i) The Commis-
9 sioner may print, or cause to be printed, the
10 following:

11 “(I) Certificates of trademark reg-
12 istrations, including statements and draw-
13 ings, together with copies of the same.

14 “(II) The Official Gazette of the Unit-
15 ed States Trademark Office.

16 “(III) Annual indexes of trademarks
17 and registrants.

18 “(IV) Annual volumes of decisions in
19 trademark cases.

20 “(V) Pamphlet copies of laws and
21 rules relating to trademarks and circulars
22 or other publications relating to the busi-
23 ness of the Office.

24 “(ii) The Commissioner may exchange any
25 of the publications specified under clause (i) for

1 publications desirable for the use of the Trade-
2 mark Office.

3 “(3) OATH.—The Commissioner shall, before
4 taking office, take an oath to discharge faithfully the
5 duties of the Office.

6 “(4) COMPENSATION.—

7 “(A) IN GENERAL.—The Commissioner
8 shall receive compensation at the rate of pay in
9 effect for level IV of the Executive Schedule
10 under section 5315 of title 5, United States
11 Code.

12 “(B) BONUS.—In addition to compensa-
13 tion under subparagraph (A), the Commissioner
14 may, at the discretion of the Director of the
15 United States Patent and Trademark Organiza-
16 tion, receive as a bonus, an amount which
17 would raise total compensation to the equivalent
18 of the rate of pay in effect for level III of the
19 Executive Schedule under section 5314 of title
20 5.

21 “(b) OFFICERS AND EMPLOYEES.—The Commis-
22 sioner shall appoint a Deputy Commissioner of Trade-
23 marks who shall be vested with the authority to act in
24 the capacity of the Commissioner in the event of the ab-
25 sence or incapacity of the Commissioner. In the event of

1 a vacancy in the office of Commissioner, the Deputy Com-
2 missioner shall fill the office of Commissioner until a new
3 Commissioner is appointed and takes office. Other offi-
4 cers, attorneys, employees, and agents shall be selected
5 and appointed by the Commissioner, and shall be vested
6 with such powers and duties as the Commissioner may de-
7 termine.

8 **“SEC. 54. TRADEMARK OFFICE MANAGEMENT ADVISORY**
9 **BOARD.**

10 “(a) ESTABLISHMENT OF MANAGEMENT ADVISORY
11 BOARD.—

12 “(1) APPOINTMENT.—The United States
13 Trademark Office shall have a Management Advi-
14 sory Board (hereafter in this title referred to as the
15 ‘Advisory Board’) of 5 members, who shall be ap-
16 pointed by the President and shall serve at the
17 pleasure of the President. Not more than 3 of the
18 5 members shall be members of the same political
19 party.

20 “(2) CHAIR.—The President shall designate a
21 Chair of the Advisory Board, whose term as chair
22 shall be for 3 years.

23 “(3) TIMING OF APPOINTMENTS.—Initial ap-
24 pointments to the Advisory Board shall be made
25 within 3 months after the effective date of the Unit-

1 ed States Patent and Trademark Organization Act
2 of 1997. Vacancies shall be filled in the manner in
3 which the original appointment was made under this
4 section within 3 months after they occur.

5 “(b) BASIS FOR APPOINTMENTS.—Members of the
6 Advisory Board shall be citizens of the United States who
7 shall be chosen so as to represent the interests of diverse
8 users of the United States Trademark Office, and shall
9 include individuals with substantial background and
10 achievement in corporate finance and management.

11 “(c) MEETINGS.—The Advisory Board shall meet at
12 the call of the Chair to consider an agenda set by the
13 Chair.

14 “(d) DUTIES.—The Advisory Board shall—

15 “(1) review the policies, goals, performance,
16 budget, and user fees of the United States Trade-
17 mark Office, and advise the Commissioner on these
18 matters; and

19 “(2) within 60 days after the end of each fiscal
20 year—

21 “(A) prepare an annual report on the mat-
22 ters referred to under paragraph (1);

23 “(B) transmit the report to the Director of
24 the United States Patent and Trademark Orga-
25 nization, the President, and the Committees on

1 the Judiciary of the Senate and the House of
2 Representatives; and

3 “(C) publish the report in the Trademark
4 Office Official Gazette.

5 “(f) COMPENSATION.—Each member of the Advisory
6 Board shall be compensated for each day (including travel
7 time) during which such member is attending meetings or
8 conferences of the Advisory Board or otherwise engaged
9 in the business of the Advisory Board, at the rate which
10 is the daily equivalent of the annual rate of basic pay in
11 effect for level III of the Executive Schedule under section
12 5314 of title 5, United States Code, and while away from
13 such member’s home or regular place of business such
14 member may be allowed travel expenses, including per
15 diem in lieu of subsistence, as authorized by section 5703
16 of title 5, United States Code.

17 “(g) ACCESS TO INFORMATION.—Members of the Ad-
18 visory Board shall be provided access to records and infor-
19 mation in the United States Trademark Office, except for
20 personnel or other privileged information.

21 **“SEC. 55. ANNUAL REPORT TO CONGRESS.**

22 “The Commissioner shall report to the Director of
23 the United States Patent and Trademark Organization
24 such information as the Director is required to report to
25 Congress annually under chapter 91 of title 5, including—

1 “(1) the moneys received and expended by the
2 Office;

3 “(2) the purposes for which the moneys were
4 spent;

5 “(3) the quality and quantity of the work of the
6 Office; and

7 “(4) other information relating to the Office.

8 **“SEC. 56. TRADEMARK OFFICE FUNDING.**

9 “(a) FEES PAYABLE TO THE OFFICE.—All fees for
10 services performed by or materials furnished by the Unit-
11 ed States Trademark Office shall be payable to the Office.

12 “(b) USE OF MONEYS.—Moneys from fees shall be
13 available to the United States Trademark Office to carry
14 out, to the extent provided in appropriations Acts, the
15 functions of the Office. Moneys of the Office not otherwise
16 used to carry out the functions of the Office shall be kept
17 in cash on hand or on deposit, or invested in obligations
18 of the United States or guaranteed by the United States,
19 or in obligations or other instruments which are lawful in-
20 vestments for fiduciary, trust, or public funds. Fees avail-
21 able to the Commissioner under this chapter shall be used
22 only for the registration of trademarks and for other serv-
23 ices and materials relating to trademarks.

24 “(c) CONTRIBUTION TO THE OFFICE OF THE DIREC-
25 TOR OF THE UNITED STATES PATENT AND TRADEMARK

1 ORGANIZATION.—The Trademark Office shall contribute
2 50 percent of the annual budget of the Office of the Direc-
3 tor of the United States Patent and Trademark Organiza-
4 tion.”.

5 (b) TRADEMARK TRIAL AND APPEAL BOARD.—Sec-
6 tion 17 of the Act of July 5, 1946 (commonly referred
7 to as the Trademark Act of 1946) (15 U.S.C. 1067) is
8 amended to read as follows:

9 “SEC. 17. (a) In every case of interference, opposition
10 to registration, application to register as a lawful concur-
11 rent user, or application to cancel the registration of a
12 mark, the Commissioner shall give notice to all parties and
13 shall direct a Trademark Trial and Appeal Board to deter-
14 mine and decide the respective rights of registration.

15 “(b) The Trademark Trial and Appeal Board shall
16 include the Commissioner of Trademarks, the Deputy
17 Commissioner of Trademarks, and members competent in
18 trademark law who are appointed by the Commissioner.”.

19 (c) DETERMINATION OF FEES.—Section 31(a) of the
20 Act of July 5, 1946 (commonly referred to as the Trade-
21 mark Act of 1946) (15 U.S.C. 1067(a)) is amended by
22 striking the second and third sentences and inserting the
23 following: “Fees established under this subsection may be
24 adjusted by the Commissioner, after consulting with the
25 Trademark Office Management Advisory Board in accord-

1 ance with section 53(a)(2)(C) of this Act and after notice
2 and opportunity for full participation by interested public
3 and private parties. The Director of the United States
4 Patent and Trademark Organization shall determine
5 whether such fees are consistent with the policy direction
6 of the Secretary of Commerce.”.

7 **SEC. 116. SUITS BY AND AGAINST THE ORGANIZATION.**

8 (a) **ACTIONS UNDER UNITED STATES LAW.**—Any
9 civil action or proceeding to which the United States Pat-
10 ent and Trademark Organization is a party is deemed to
11 arise under the laws of the United States. The Federal
12 courts shall have exclusive jurisdiction over all civil actions
13 by or against the Organization.

14 (b) **REPRESENTATION BY THE DEPARTMENT OF JUSTICE.**—The United States Patent and Trademark Organi-
15 zation shall be deemed an agency of the United States for
16 purposes of section 516 of title 28, United States Code.

18 (c) **PROHIBITION ON ATTACHMENT, LIENS, OR SIMI-**
19 **LAR PROCESS.**—No attachment, garnishment, lien, or
20 similar process, intermediate or final, in law or equity,
21 may be issued against property of the Organization.

22 **SEC. 117. FUNDING.**

23 (a) **IN GENERAL.**—The activities of the United
24 States Patent and Trademark Organization and each of-
25 fice of the Organization shall be funded entirely through

1 fees payable to the United States Patent Office (under
2 section 42 of title 35, United States Code) and the United
3 States Trademark Office (under section 56 of the Act of
4 July 5, 1946 (commonly known as the Trademark Act of
5 1946)), and surcharges appropriated by Congress, to the
6 extent provided in appropriations Acts and subject to the
7 provisions of subsection (b).

8 (b) BORROWING AUTHORITY.—

9 (1) IN GENERAL.—The United States Patent
10 and Trademark Organization is authorized to issue
11 from time to time for purchase by the Secretary of
12 the Treasury its debentures, bonds, notes, and other
13 evidences of indebtedness (hereafter in this sub-
14 section referred to as “obligations”) to assist in fi-
15 nancing the activities of the United States Patent
16 Office and the United States Trademark Office.
17 Borrowing under this section shall be subject to
18 prior approval in appropriations Acts. Such borrow-
19 ing shall not exceed amounts approved in appropria-
20 tions Acts.

21 (2) BORROWING AUTHORITY.—Any borrowing
22 under this subsection shall be repaid only from fees
23 paid to the Office for which such obligations were is-
24 sued and surcharges appropriated by Congress. Such
25 obligations shall be redeemable at the option of the

1 United States Patent and Trademark Organization
2 before maturity in the manner stipulated in such ob-
3 ligations and shall have such maturity as is deter-
4 mined by the United States Patent and Trademark
5 Organization with the approval of the Secretary of
6 the Treasury. Each such obligation issued to the
7 Treasury shall bear interest at a rate not less than
8 the current yield on outstanding marketable obliga-
9 tions of the United States of comparable maturity
10 during the month preceding the issuance of the obli-
11 gation as determined by the Secretary of the Treas-
12 ury.

13 (3) PURCHASE OF OBLIGATIONS.—The Sec-
14 retary of the Treasury shall purchase any obligations
15 of the United States Patent and Trademark Organi-
16 zation issued under this subsection and for such
17 purpose the Secretary of the Treasury is authorized
18 to use as a public-debt transaction the proceeds of
19 any securities issued under chapter 31 of title 31,
20 United States Code, and the purposes for which se-
21 curities may be issued under that chapter are ex-
22 tended to include such purpose.

23 (4) TREATMENT.—Payment under this sub-
24 section of the purchase price of such obligations of
25 the United States Patent and Trademark Organiza-

1 tion shall be treated as public debt transactions of
2 the United States.

3 **SEC. 118. TRANSFERS.**

4 (a) TRANSFER OF FUNCTIONS.—Except as relates to
5 the direction of patent and trademark policy, there are
6 transferred to, and vested in, the United States Patent
7 and Trademark Organization all functions, powers, and
8 duties vested by law in the Secretary of Commerce or the
9 Department of Commerce or in the officers or components
10 in the Department of Commerce with respect to the au-
11 thority to grant patents and register trademarks, and in
12 the Patent and Trademark Office, as in effect on the day
13 before the effective date of this title, and in the officers
14 and components of such office.

15 (b) TRANSFER OF FUNDS AND PROPERTY.—The
16 Secretary of Commerce shall transfer to the United States
17 Patent and Trademark Organization, on the effective date
18 of this title, so much of the assets, liabilities, contracts,
19 property, records, and unexpended and unobligated bal-
20 ances of appropriations, authorizations, allocations, and
21 other funds employed, held, used, arising from, available
22 to, or to be made available to the Department of Com-
23 merce, including funds set aside for accounts receivable
24 which are related to functions, powers, and duties which

1 are vested in the United States Patent and Trademark
2 Office by this title.

3 **Subtitle B—Effective Date;**
4 **Technical Amendments**

5 **SEC. 131. EFFECTIVE DATE.**

6 This title and the amendments made by this title
7 shall take effect 4 months after the date of the enactment
8 of this Act.

9 **SEC. 132. TECHNICAL AND CONFORMING AMENDMENTS.**

10 (a) AMENDMENTS TO TITLE 35.—

11 (1) TABLE OF PARTS.—The item relating to
12 part I in the table of parts for title 35, United
13 States Code, is amended to read as follows:

“I. United States Patent Office 1.”

14 (2) HEADING.—The heading for part I of title
15 35, United States Code, is amended to read as fol-
16 lows:

17 **“PART I—UNITED STATES PATENT OFFICE”.**

18 (3) TABLE OF CHAPTERS.—The table of chap-
19 ters for part I of title 35, United States Code, is
20 amended by amending the item relating to chapter
21 1 to read as follows:

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

22 (4) TABLE OF SECTIONS.—The table of sections
23 for chapter 1 of title 35, United States Code, is
24 amended to read as follows:

1 **“CHAPTER 1—ESTABLISHMENT, OFFICERS**
 2 **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 Office Management Advisory Board.

“6. Duties of Commissioner.

“7. Board of Patent Appeals and Interferences.

“8. Library.

“9. Classification of patents.

“10. Certified copies of records.

“11. Publications.

“12. Exchange of copies of patents with foreign countries.

“13. Copies of patents for public libraries.

“14. Annual report to Congress.”.

3 (5) COMMISSIONER OF PATENTS AND TRADE-
 4 MARKS.—(A) Section 41(h)(1) of title 35, United
 5 States Code, is amended by striking “Commissioner
 6 of Patents and Trademarks” and inserting “Com-
 7 missioner”.

8 (B) Section 155 of title 35, United States Code,
 9 is amended by striking “Commissioner of Patents
 10 and Trademarks” and inserting “Commissioner”.

11 (C) Section 155A(e) of title 35, United States
 12 Code, is amended by striking “Commissioner of Pat-
 13 ents” and inserting “Commissioner”.

14 (6) PATENT AND TRADEMARK OFFICE.—The
 15 provisions of title 35, United States Code, are
 16 amended by striking “Patent and Trademark Of-
 17 fice” each place it appears and inserting “Patent Of-
 18 fice”.

1 (b) AMENDMENTS TO THE TRADEMARK ACT OF
2 1946.—

3 (1) REFERENCES.—All amendments in this
4 subsection refer to the Act of July 5, 1946 (com-
5 monly referred to as the Trademark Act of 1946).

6 (2) AMENDMENTS RELATING TO COMMIS-
7 SIONER.—Section 61 (as redesignated by section
8 115(a)(2) of this Act) is amended by striking the
9 undesignated paragraph relating to the definition of
10 the term “Commissioner” and inserting the follow-
11 ing:

12 “The term ‘Commissioner’ means the Commissioner
13 of Trademarks.”.

14 (3) AMENDMENTS RELATING TO PATENT AND
15 TRADEMARK OFFICE.—(A) Section 1(a)(1) is
16 amended by striking “Patent and Trademark Of-
17 fice” and inserting “Trademark Office”.

18 (B) Section 1(a)(2) is amended by striking
19 “Patent and Trademark Office” and inserting
20 “Trademark Office”.

21 (C) Section 1(b)(1) is amended by striking
22 “Patent and Trademark Office” and inserting
23 “Trademark Office”.

1 (D) Section 1(b)(2) is amended by striking
2 “Patent and Trademark Office” and inserting
3 “Trademark Office”.

4 (E) Section 1(d)(1) is amended by striking
5 “Patent and Trademark Office” each place such
6 term appears and inserting “Trademark Office”.

7 (F) Section 1(e) is amended by striking “Pat-
8 ent and Trademark Office” and inserting “Trade-
9 mark Office”.

10 (G) Section 2(d) is amended by striking “Pat-
11 ent and Trademark Office” and inserting “Trade-
12 mark Office”.

13 (H) Section 7(a) is amended by striking “Pat-
14 ent and Trademark Office” each place such term ap-
15 pears and inserting “Trademark Office”.

16 (I) Section 7(d) is amended by striking “Patent
17 and Trademark Office” and inserting “Trademark
18 Office”.

19 (J) Section 7(e) is amended by striking “Patent
20 and Trademark Office” each place such term ap-
21 pears and inserting “Trademark Office”.

22 (K) Section 7(f) is amended by striking “Pat-
23 ent and Trademark Office” each place such term ap-
24 pears and inserting “Trademark Office”.

1 (L) Section 7(g) is amended by striking “Pat-
2 ent and Trademark Office” each place such term ap-
3 pears and inserting “Trademark Office”.

4 (M) Section 8(a) is amended by striking “Pat-
5 ent and Trademark Office” and inserting “Trade-
6 mark Office”.

7 (N) Section 8(b) is amended by striking “Pat-
8 ent and Trademark Office” and inserting “Trade-
9 mark Office”.

10 (O) Section 10 is amended by striking “Patent
11 and Trademark Office” each place such term ap-
12 pears and inserting “Trademark Office”.

13 (P) Section 12(a) is amended by striking “Pat-
14 ent and Trademark Office” and inserting “Trade-
15 mark Office”.

16 (Q) Section 13(a) is amended by striking “Pat-
17 ent and Trademark Office” and inserting “Trade-
18 mark Office”.

19 (R) Section 13(b)(1) is amended by striking
20 “Patent and Trademark Office” each place such
21 term appears and inserting “Trademark Office”.

22 (S) Section 15(2) is amended by striking “Pat-
23 ent and Trademark Office” and inserting “Trade-
24 mark Office”.

1 (T) Section 17 is amended by striking “Patent
2 and Trademark Office” and inserting “Trademark
3 Office”.

4 (U) Section 21(a)(2) is amended by striking
5 “Patent and Trademark Office” and inserting
6 “Trademark Office”.

7 (V) Section 21(a)(3) is amended by striking
8 “Patent and Trademark Office” each place such
9 term appears and inserting “Trademark Office”.

10 (W) Section 21(a)(4) is amended by striking
11 “Patent and Trademark Office” each place such
12 term appears and inserting “Trademark Office”.

13 (X) Section 21(b)(3) is amended by striking
14 “Patent and Trademark Office” each place such
15 term appears and inserting “Trademark Office”.

16 (Y) Section 21(b)(4) is amended by striking
17 “Patent and Trademark Office” and inserting
18 “Trademark Office”.

19 (Z) Section 24 is amended by striking “Patent
20 and Trademark Office” and inserting “Trademark
21 Office”.

22 (AA) Section 29 is amended by striking “Pat-
23 ent and Trademark Office” each place such term ap-
24 pears and inserting “Trademark Office”.

1 (BB) Section 30 is amended by striking “Pat-
2 ent and Trademark Office” and inserting “Trade-
3 mark Office”.

4 (CC) Section 31(a) is amended by striking
5 “Patent and Trademark Office” and inserting
6 “Trademark Office”.

7 (DD) Section 34(a) is amended by striking
8 “Patent and Trademark Office” and inserting
9 “Trademark Office”.

10 (EE) Section 34(d)(1)(B)(i) is amended by
11 striking “Patent and Trademark Office” and insert-
12 ing “Trademark Office”.

13 (FF) Section 35(a) is amended by striking
14 “Patent and Trademark Office” and inserting
15 “Trademark Office”.

16 (GG) Section 36 is amended by striking “Pat-
17 ent and Trademark Office” and inserting “Trade-
18 mark Office”.

19 (HH) Section 37 is amended by striking “Pat-
20 ent and Trademark Office” and inserting “Trade-
21 mark Office”.

22 (II) Section 38 is amended by striking “Patent
23 and Trademark Office” and inserting “Trademark
24 Office”.

1 (JJ) Section 39(b) is amended by striking
2 “Patent and Trademark Office” and inserting
3 “Trademark Office”.

4 (KK) Section 41 is amended by striking “Pat-
5 ent and Trademark Office” and inserting “Trade-
6 mark Office”.

7 (LL) Section 61 (as redesignated under section
8 115(a)(2) of this Act) is amended in the undesig-
9 nated paragraph relating to the definition of “reg-
10 istered mark”—

11 (i) by striking “Patent and Trade Mark
12 Office” and inserting “Trademark Office; and

13 (ii) by striking “Patent and Trade Office”
14 and inserting “Trademark Office”.

15 (MM) Section 72(a) (as redesignated under sec-
16 tion 115(a)(2) of this Act) is amended by striking
17 “Patent and Trademark Office” and inserting
18 “Trademark Office”.

19 (NN) Section 75 (as redesignated under section
20 115(a)(2) of this Act) is amended by striking “Pat-
21 ent and Trademark Office” and inserting “Trade-
22 mark Office”.

23 (c) AMENDMENTS TO TITLE 5.—Section 5316 of title
24 5, United States Code, is amended—

1 (1) by striking “Commissioner of Patents, De-
2 partment of Commerce.”; and

3 (2) by striking:

4 “Deputy Commissioner of Patents and Trade-
5 marks.

6 “Assistant Commissioner for Patents.

7 “Assistant Commissioner for Trademarks.”.

8 (d) AMENDMENT TO TITLE 31.—Section 9101(3) of
9 title 31, United States Code, is amended by adding at the
10 end the following:

11 “(O) the United States Patent and Trade-
12 mark Organization.”.

13 (e) AMENDMENTS TO INSPECTOR GENERAL ACT OF
14 1978.—Section 11 of the Inspector General Act of 1978
15 (5 U.S.C. App.) is amended—

16 (1) in paragraph (1) by striking “or the Com-
17 missioner of Social Security, Social Security Admin-
18 istration;” and inserting “the Commissioner of So-
19 cial Security, Social Security Administration; or the
20 Director of the United States Patent and Trade-
21 mark Organization, United States Patent and
22 Trademark Organization;”; and

23 (2) in paragraph (2) by striking “or the Veter-
24 ans’ Administration, or the Social Security Adminis-
25 tration;” and inserting “the Veterans’ Administra-

1 tion, the Social Security Administration, or the
2 United States Patent and Trademark Organiza-
3 tion;”.

4 **Subtitle C—Miscellaneous** 5 **Provisions**

6 **SEC. 141. REFERENCES.**

7 Any reference in any other Federal law, Executive
8 order, rule, regulation, or delegation of authority, or any
9 document of or pertaining to a department, agency, or of-
10 fice from which a function is transferred by this title—

11 (1) to the head of such department, agency, or
12 office is deemed to refer to the head of the depart-
13 ment, agency, or office to which such function is
14 transferred; or

15 (2) to such department, agency, or office is
16 deemed to refer to the department, agency, or office
17 to which such function is transferred.

18 **SEC. 142. EXERCISE OF AUTHORITIES.**

19 Except as otherwise provided by law, a Federal offi-
20 cial to whom a function is transferred by this title may,
21 for purposes of performing the function, exercise all au-
22 thorities under any other provision of law that were avail-
23 able with respect to the performance of that function to
24 the official responsible for the performance of the function

1 immediately before the effective date of the transfer of the
2 function under this title.

3 **SEC. 143. SAVINGS PROVISIONS.**

4 (a) **LEGAL DOCUMENTS.**—All orders, determinations,
5 rules, regulations, permits, grants, loans, contracts, agree-
6 ments, certificates, licenses, and privileges that—

7 (1) have been issued, made, granted, or allowed
8 to become effective by the President, the Secretary
9 of Commerce, any officer or employee of any office
10 transferred by this title, or any other Government
11 official, or by a court of competent jurisdiction, in
12 the performance of any function that is transferred
13 by this title, and

14 (2) are in effect on the effective date of such
15 transfer (or become effective after such date pursu-
16 ant to their terms as in effect on such effective
17 date), shall continue in effect according to their
18 terms until modified, terminated, superseded, set
19 aside, or revoked in accordance with law by the
20 President, any other authorized official, a court of
21 competent jurisdiction, or operation of law.

22 (b) **PROCEEDINGS.**—This title shall not affect any
23 proceedings or any application for any benefits, service,
24 license, permit, certificate, or financial assistance pending
25 on the effective date of this title before an office trans-

1 ferred by this title, but such proceedings and applications
2 shall be continued. Orders shall be issued in such proceed-
3 ings, appeals shall be taken therefrom, and payments shall
4 be made pursuant to such orders, as if this title had not
5 been enacted, and orders issued in any such proceeding
6 shall continue in effect until modified, terminated, super-
7 seded, or revoked by a duly authorized official, by a court
8 of competent jurisdiction, or by operation of law. Nothing
9 in this subsection shall be considered to prohibit the dis-
10 continuance or modification of any such proceeding under
11 the same terms and conditions and to the same extent that
12 such proceeding could have been discontinued or modified
13 if this title had not been enacted.

14 (c) SUITS.—This title shall not affect suits com-
15 menced before the effective date of this title, and in all
16 such suits, proceedings shall be had, appeals taken, and
17 judgments rendered in the same manner and with the
18 same effect as if this title had not been enacted.

19 (d) NONABATEMENT OF ACTIONS.—No suit, action,
20 or other proceeding commenced by or against the Depart-
21 ment of Commerce or the Secretary of Commerce, or by
22 or against any individual in the official capacity of such
23 individual as an officer or employee of an office trans-
24 ferred by this title, shall abate by reason of the enactment
25 of this title.

1 (e) CONTINUANCE OF SUITS.—If any Government of-
2 ficer in the official capacity of such officer is party to a
3 suit with respect to a function of the officer, and under
4 this title such function is transferred to any other officer
5 or office, then such suit shall be continued with the other
6 officer or the head of such other office, as applicable, sub-
7 stituted or added as a party.

8 (f) ADMINISTRATIVE PROCEDURE AND JUDICIAL RE-
9 VIEW.—Except as otherwise provided by this title, any
10 statutory requirements relating to notice, hearings, action
11 upon the record, or administrative or judicial review that
12 apply to any function transferred by this title shall apply
13 to the exercise of such function by the head of the Federal
14 agency, and other officers of the agency, to which such
15 function is transferred by this title.

16 **SEC. 144. TRANSFER OF ASSETS.**

17 Except as otherwise provided in this title, so much
18 of the personnel, property, records, and unexpended bal-
19 ances of appropriations, allocations, and other funds em-
20 ployed, used, held, available, or to be made available in
21 connection with a function transferred to an official or
22 agency by this title shall be available to the official or the
23 head of that agency, respectively, at such time or times
24 as the Director of the Office of Management and Budget

1 directs for use in connection with the functions trans-
2 ferred.

3 **SEC. 145. DELEGATION AND ASSIGNMENT.**

4 (a) IN GENERAL.—Except as otherwise expressly
5 prohibited by law or otherwise provided in this title, an
6 official to whom functions are transferred under this title
7 (including the head of any office to which functions are
8 transferred under this title) may—

9 (1) delegate any of the functions so transferred
10 to such officers and employees of the office of the
11 official as the official may designate; and

12 (2) authorize successive redelegations of such
13 functions as may be necessary or appropriate.

14 (b) RESPONSIBILITY FOR ADMINISTRATION.—No
15 delegation of functions under this section or under any
16 other provision of this title shall relieve the official to
17 whom a function is transferred under this title of respon-
18 sibility for the administration of the function.

19 **SEC. 146. AUTHORITY OF DIRECTOR OF THE OFFICE OF**
20 **MANAGEMENT AND BUDGET WITH RESPECT**
21 **TO FUNCTIONS TRANSFERRED.**

22 (a) DETERMINATIONS.—If necessary, the Director of
23 the Office of Management and Budget shall make any de-
24 termination of the functions that are transferred under
25 this title.

1 (b) INCIDENTAL TRANSFERS.—The Director of the
2 Office of Management and Budget, at such time or times
3 as the Director shall provide, may make such determina-
4 tions as may be necessary with regard to the functions
5 transferred by this title, and to make such additional inci-
6 dental dispositions of personnel, assets, liabilities, grants,
7 contracts, property, records, and unexpended balances of
8 appropriations, authorizations, allocations, and other
9 funds held, used, arising from, available to, or to be made
10 available in connection with such functions, as may be nec-
11 essary to carry out the provisions of this title.

12 (c) TERMINATION OF AFFAIRS.—The Director shall
13 provide for the termination of the affairs of all entities
14 terminated by this title and for such further measures and
15 dispositions as may be necessary to effectuate the pur-
16 poses of this title.

17 **SEC. 147. CERTAIN VESTING OF FUNCTIONS CONSIDERED**
18 **TRANSFERS.**

19 For purposes of this title, the vesting of a function
20 in a department, agency, or office pursuant to reestablish-
21 ment of an office shall be considered to be the transfer
22 of the function.

23 **SEC. 148. AVAILABILITY OF EXISTING FUNDS.**

24 Existing appropriations and funds available for the
25 performance of functions, programs, and activities termi-

1 nated pursuant to this title shall remain available, for the
2 duration of their period of availability, for necessary ex-
3 penses in connection with the termination and resolution
4 of such functions, programs, and activities.

5 **SEC. 149. DEFINITIONS.**

6 For purposes of this title—

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

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

13 **TITLE II—EARLY PUBLICATION**
14 **OF PATENT APPLICATIONS**

15 **SEC. 201. SHORT TITLE.**

16 This title may be cited as the “Patent Application
17 Publication Act of 1997”.

18 **SEC. 202. EARLY PUBLICATION.**

19 Section 122 of title 35, United States Code, is
20 amended to read as follows:

21 **“§ 122. Confidential status of applications; publica-**
22 **tion of patent applications**

23 “(a) CONFIDENTIALITY.—Except as provided in sub-
24 section (b), applications for patents shall be kept in con-
25 fidence by the Patent Office and no information concern-

1 ing the same given without authority of the applicant or
2 owner unless necessary to carry out the provisions of an
3 Act of Congress or in such special circumstances as may
4 be determined by the Commissioner.

5 “(b) PUBLICATION.—

6 “(1) IN GENERAL.—(A) Subject to paragraph
7 (2), each application for patent, except applications
8 for design patents filed under chapter 16 of this title
9 and provisional applications filed under section
10 111(b) of this title, shall be published, in accordance
11 with procedures determined by the Commissioner, as
12 soon as possible after the expiration of a period of
13 18 months from the earliest filing date for which a
14 benefit is sought under this title. At the request of
15 the applicant, an application may be published ear-
16 lier than the end of such 18-month period.

17 “(B) No information concerning published pat-
18 ent applications shall be made available to the public
19 except as the Commissioner determines.

20 “(C) Notwithstanding any other provision of
21 law, a determination by the Commissioner to release
22 or not to release information concerning a published
23 patent application shall be final and nonreviewable.

24 “(2) EXCEPTIONS.—(A) An application that is
25 no longer pending shall not be published.

1 “(B) An application that is subject to a secrecy
2 order pursuant to section 181 of this title shall not
3 be published.

4 “(C)(i) Upon the request of the applicant at the
5 time of filing, the application shall not be published
6 in accordance with paragraph (1) until 3 months
7 after the Commissioner makes a notification to the
8 applicant under section 132 of this title.

9 “(ii) Applications filed pursuant to section 363
10 of this title, applications asserting priority under
11 section 119 or 365(a) of this title, and applications
12 asserting the benefit of an earlier application under
13 section 120, 121, or 365(c) of this title shall not be
14 eligible for a request pursuant to this subparagraph.

15 “(iii) In a request under this subparagraph, the
16 applicant shall certify that the invention disclosed in
17 the application was not and will not be the subject
18 of an application filed in a foreign country.

19 “(iv) The Commissioner may establish appro-
20 priate procedures and fees for making a request
21 under this subparagraph.

22 “(c) PRE-ISSUANCE OPPOSITION.—The provisions of
23 this section shall not operate to create any new oppor-
24 tunity for pre-issuance opposition. The Commissioner may
25 establish appropriate procedures to ensure that this sec-

1 tion does not create any new opportunity for pre-issuance
2 opposition that did not exist prior to the adoption of this
3 section.”.

4 **SEC. 203. TIME FOR CLAIMING BENEFIT OF EARLIER FIL-**
5 **ING DATE.**

6 (a) IN A FOREIGN COUNTRY.—Section 119(b) of title
7 35, United States Code, is amended to read as follows:

8 “(b)(1) No application for patent shall be entitled to
9 this right of priority unless a claim, identifying the foreign
10 application by specifying its application number, country,
11 and the day, month, and year of its filing, is filed in the
12 Patent Office at such time during the pendency of the ap-
13 plication as required by the Commissioner.

14 “(2) The Commissioner may consider the failure of
15 the applicant to file a timely claim for priority as a waiver
16 of any such claim, and may require the payment of a sur-
17 charge as a condition of accepting an untimely claim dur-
18 ing the pendency of the application.

19 “(3) The Commissioner may require a certified copy
20 of the original foreign application, specification, and draw-
21 ings upon which it is based, a translation if not in the
22 English language, and such other information as the Com-
23 missioner considers necessary. Any such certification shall
24 be made by the foreign intellectual property authority in
25 which the foreign application was filed and show the date

1 of the application and of the filing of the specification and
2 other papers.”.

3 (b) IN THE UNITED STATES.—Section 120 of title
4 35, United States Code, is amended by adding at the end
5 the following: “The Commissioner may determine the time
6 period during the pendency of the application within which
7 an amendment containing the specific reference to the ear-
8 lier filed application is submitted. The Commissioner may
9 consider the failure to submit such an amendment within
10 that time period as a waiver of any benefit under this sec-
11 tion. The Commissioner may establish procedures, includ-
12 ing the payment of a surcharge, to accept unavoidably late
13 submissions of amendments under this section.”.

14 **SEC. 204. PROVISIONAL RIGHTS.**

15 Section 154 of title 35, United States Code, is
16 amended—

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

19 (2) by adding at the end the following new sub-
20 section:

21 “(d) PROVISIONAL RIGHTS.—

22 “(1) IN GENERAL.—In addition to other rights
23 provided by this section, a patent shall include the
24 right to obtain a reasonable royalty from any person
25 who, during the period beginning on the date of pub-

1 lication of the application for such patent pursuant
2 to section 122(b) of this title, or in the case of an
3 international application filed under the treaty de-
4 fined in section 351(a) of this title designating the
5 United States under Article 21(2)(a) of such treaty,
6 the date of publication of the application, and ending
7 on the date the patent is issued—

8 “(A)(i) makes, uses, offers for sale, or sells
9 in the United States the invention as claimed in
10 the published patent application or imports
11 such an invention into the United States; or

12 “(ii) if the invention as claimed in the pub-
13 lished patent application is a process, uses, of-
14 fers for sale, or sells in the United States or
15 imports into the United States products made
16 by that process as claimed in the published pat-
17 ent application; and

18 “(B) had actual notice of the published
19 patent application, and where the right arising
20 under this paragraph is based upon an inter-
21 national application designating the United
22 States that is published in a language other
23 than English, a translation of the international
24 application into the English language.

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

7 “(3) TIME LIMITATION ON OBTAINING A REA-
8 SONABLE ROYALTY.—The right under paragraph (1)
9 to obtain a reasonable royalty shall be available only
10 in an action brought not later than 6 years after the
11 patent is issued. The right under paragraph (1) to
12 obtain a reasonable royalty shall not be affected by
13 the duration of the period described in paragraph
14 (1).

15 “(4) REQUIREMENTS FOR INTERNATIONAL AP-
16 PLICATIONS.—

17 “(A) EFFECTIVE DATE.—The right under
18 paragraph (1) to obtain a reasonable royalty
19 based upon the publication under the treaty of
20 an international application designating the
21 United States shall commence from the date
22 that the Patent Office receives a copy of the
23 publication under the treaty defined in section
24 351(a) of this title of the international applica-
25 tion, or, if the publication under the treaty of

1 the international application is in a language
2 other than English, from the date that the Pat-
3 ent Office receives a translation of the inter-
4 national application in the English language.

5 “(B) COPIES.—The Commissioner may re-
6 quire the applicant to provide a copy of the
7 international application and a translation
8 thereof.”.

9 **SEC. 205. PRIOR ART EFFECT OF PUBLISHED APPLICA-**
10 **TIONS.**

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

13 “(e) the invention was described in—

14 “(1)(A) an application for patent, published
15 pursuant to section 122(b) of this title, by another
16 filed in the United States before the invention by the
17 applicant for patent, except that an international ap-
18 plication filed under the treaty defined in section
19 351(a) of this title shall have the effect under this
20 subsection of a national application published under
21 section 122(b) of this title only if the international
22 application designating the United States was pub-
23 lished under Article 21(2)(a) of such treaty in the
24 English language, or

1 “(B) a patent granted on an application for
2 patent by another filed in the United States before
3 the invention by the applicant for patent, or”.

4 **SEC. 206. COST RECOVERY FOR PUBLICATION.**

5 The Commissioner shall recover the cost of early pub-
6 lication required by the amendment made by section 202
7 by adjusting the filing, issue, and maintenance fees under
8 title 35, United States Code, by charging a separate publi-
9 cation fee, or by any combination of these methods.

10 **SEC. 207. CONFORMING CHANGES.**

11 The following provisions of title 35, United States
12 Code, are amended:

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

16 (2) Section 12 is amended—

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

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

21 (3) Section 13 is amended—

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

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

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

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

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

11 (7) Section 181 is amended—

12 (A) in the first undesignated paragraph—

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

15 (ii) “the publication of the application
16 or” after “withhold”;

17 (B) in the second undesignated paragraph
18 by inserting “by the publication of an applica-
19 tion or” after “disclosure of an invention”;

20 (C) in the third undesignated paragraph—

21 (i) by inserting “by the publication of
22 the application or” after “disclosure of the
23 invention”; and

24 (ii) “the publication of the application
25 or” after “withhold”; and

1 (D) in the fourth undesignated paragraph
2 by inserting “the publication of an application
3 or” after “and” in the first sentence.

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

7 (9) Section 284 is amended by adding at the
8 end of the second undesignated paragraph the following:
9 “Increased damages under this paragraph
10 shall not apply to provisional rights under section
11 154(d) of this title.”.

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

13 **“§ 374. Publication of international application: Effect**
14 **fect**

15 “The publication under the treaty, defined in section
16 351(a) of this title, of an international application designating
17 the United States shall confer the same rights
18 and shall have the same effect under this title as an application
19 for patent published under section 122(b), except
20 as provided in sections 102(e) and 154(d) of this title.”.

21 **SEC. 208. LAST DAY OF PENDENCY OF PROVISIONAL APPLICATION.**
22 **CATION.**

23 Section 119(e) of title 35, United States Code, is
24 amended by adding at the end the following:

1 “(3) If the day that is 12 months after the filing date
2 of a provisional application falls on a Saturday, Sunday,
3 or legal holiday as defined in rule 6(a) of the Federal
4 Rules of Civil Procedure, the period of pendency of the
5 provisional application shall be extended to the next suc-
6 ceeding business day.”.

7 **SEC. 209. EFFECTIVE DATE.**

8 (a) SECTIONS 202 THROUGH 207.—Sections 202
9 through 207, and the amendments made by such sections,
10 shall take effect on April 1, 1998, and shall apply to all
11 applications filed under section 111 of title 35, United
12 States Code, on or after that date, and all applications
13 complying with section 371 of title 35, United States
14 Code, that resulted from international applications filed
15 on or after that date. The amendment made by section
16 204 shall also apply to international applications designat-
17 ing the United States that are filed on or after April 1,
18 1998.

19 (b) SECTION 208.—The amendments made by sec-
20 tion 208 shall take effect on the date of the enactment
21 of this Act and, except for a design patent application filed
22 under chapter 16 of title 35, United States Code, shall
23 apply to any application filed on or after June 8, 1995.

1 **TITLE III—PATENT TERM**
2 **RESTORATION**

3 **SEC. 301. PATENT TERM EXTENSION AUTHORITY.**

4 Section 154(b) of title 35, United States Code, is
5 amended to read as follows:

6 “(b) **TERM EXTENSION.**—

7 “(1) **BASIS FOR PATENT TERM EXTENSION.**—

8 “(A) **DELAY.**—Subject to the limitations
9 under paragraph (2), if the issue of an original
10 patent is delayed due to—

11 “(i) a proceeding under section 135(a)
12 of this title;

13 “(ii) the imposition of an order pursu-
14 ant to section 181 of this title;

15 “(iii) appellate review by the Board of
16 Patent Appeals and Interferences or by a
17 Federal court where the patent was issued
18 pursuant to a decision in the review revers-
19 ing an adverse determination of patentabil-
20 ity; or

21 “(iv) an unusual administrative delay
22 by the Patent Office in issuing the patent,
23 the term of the patent shall be extended for the
24 period of delay.

1 “(B) ADMINISTRATIVE DELAY.—For pur-
2 poses of subparagraph (A)(iv), an unusual ad-
3 ministrative delay by the Patent Office is the
4 failure to—

5 “(i) make a notification of the rejec-
6 tion of any claim for a patent or any objec-
7 tion or argument under section 132 of this
8 title or give or mail a written notice of al-
9 lowance under section 151 of this title not
10 later than 14 months after the date on
11 which the application was filed;

12 “(ii) respond to a reply under section
13 132 of this title or to an appeal taken
14 under section 134 of this title not later
15 than 4 months after the date on which the
16 reply was filed or the appeal was taken;

17 “(iii) act on an application not later
18 than 4 months after the date of a decision
19 by the Board of Patent Appeals and Inter-
20 ferences under section 134 or 135 of this
21 title or a decision by a Federal court under
22 section 141, 145, or 146 of this title where
23 allowable claims remain in an application;
24 or

1 “(iv) issue a patent not later than 4
2 months after the date on which the issue
3 fee was paid under section 151 of this title
4 and all outstanding requirements were sat-
5 isfied.

6 “(2) LIMITATIONS.—

7 “(A) IN GENERAL.—The total duration of
8 any extensions granted pursuant to either sub-
9 clause (iii) or (iv) of paragraph (1)(A) or both
10 such subclauses shall not exceed 10 years. To
11 the extent that periods of delay attributable to
12 grounds specified in paragraph (1) overlap, the
13 period of any extension granted under this sub-
14 section shall not exceed the actual number of
15 days the issuance of the patent was delayed.

16 “(B) REDUCTION OF EXTENSION.—The
17 period of extension of the term of a patent
18 under this subsection shall be reduced by a pe-
19 riod equal to the time in which the applicant
20 failed to engage in reasonable efforts to con-
21 clude prosecution of the application. The Com-
22 missioner shall prescribe regulations establish-
23 ing the circumstances that constitute a failure
24 of an applicant to engage in reasonable efforts

1 to conclude processing or examination of an ap-
2 plication.

3 “(C) DISCLAIMED TERM.—No patent the
4 term of which has been disclaimed beyond a
5 specified date may be extended under this sec-
6 tion beyond the expiration date specified in the
7 disclaimer.

8 “(3) PROCEDURES.—The Commissioner shall
9 prescribe regulations establishing procedures for the
10 notification of patent term extensions under this
11 subsection and procedures for contesting patent
12 term extensions under this subsection.”.

13 **SEC. 302. EFFECTIVE DATE.**

14 The amendments made by section 301 shall take ef-
15 fect on the date of the enactment of this Act and, except
16 for a design patent application filed under chapter 16 of
17 title 35, United States Code, shall apply to any application
18 filed on or after June 8, 1995.

19 **TITLE IV—PRIOR DOMESTIC**
20 **COMMERCIAL USE**

21 **SEC. 401. SHORT TITLE.**

22 This title may be cited as the “Prior Domestic Com-
23 mercial Use Act of 1997”.

1 **SEC. 402. DEFENSE TO PATENT INFRINGEMENT BASED ON**
2 **PRIOR DOMESTIC COMMERCIAL USE.**

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. Prior domestic commercial use; defense to in-**
7 **fringement**

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

9 “(1) the terms ‘commercially used’, ‘commer-
10 cially use’, and ‘commercial use’ mean the use in the
11 United States in commerce or the use in the design,
12 testing, or production in the United States of a
13 product or service which is used in commerce,
14 whether or not the subject matter at issue is acces-
15 sible to or otherwise known to the public;

16 “(2) the terms ‘used in commerce’, and ‘use in
17 commerce’ mean that there has been an actual sale
18 or other commercial transfer of the subject matter
19 at issue or that there has been an actual sale or
20 other commercial transfer of a product or service re-
21 sulting from the use of the subject matter at issue;
22 and

23 “(3) the ‘effective filing date’ of a patent is the
24 earlier of the actual filing date of the application for
25 the patent or the filing date of any earlier United
26 States, foreign, or international application to which

1 the subject matter at issue is entitled under section
2 119, 120, or 365 of this title.

3 “(b) DEFENSE TO INFRINGEMENT.—

4 “(1) IN GENERAL.—A person shall not be liable
5 as an infringer under section 271 of this title with
6 respect to any subject matter that would otherwise
7 infringe one or more claims in the patent being as-
8 serted against such person, if such person had, act-
9 ing in good faith, commercially used the subject
10 matter before the effective filing date of such patent.

11 “(2) EXHAUSTION OF RIGHT.—The sale or
12 other disposition of the subject matter of a patent
13 by a person entitled to assert a defense under this
14 section with respect to that subject matter shall ex-
15 haust the patent owner’s rights under the patent to
16 the extent such rights would have been exhausted
17 had such sale or other disposition been made by the
18 patent owner.

19 “(c) LIMITATIONS AND QUALIFICATIONS OF DE-
20 FENSE.—The defense to infringement under this section
21 is subject to the following:

22 “(1) DERIVATION.—A person may not assert
23 the defense under this section if the subject matter
24 on which the defense is based was derived from the
25 patentee or persons in privity with the patentee.

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

12 “(3) EFFECTIVE AND SERIOUS PREPARA-
13 TION.—With respect to subject matter that cannot
14 be commercialized without a significant investment
15 of time, money, and effort, a person shall be deemed
16 to have commercially used the subject matter if—

17 “(A) before the effective filing date of the
18 patent, the person reduced the subject matter
19 to practice in the United States, completed a
20 significant portion of the total investment nec-
21 essary to commercially use the subject matter,
22 and made a commercial transaction in the Unit-
23 ed States in connection with the preparation to
24 use the subject matter; and

1 “(B) thereafter the person diligently com-
2 pleted the remainder of the activities and in-
3 vestments necessary to commercially use the
4 subject matter, and promptly began commercial
5 use of the subject matter, even if such activities
6 were conducted after the effective filing date of
7 the patent.

8 “(4) BURDEN OF PROOF.—A person asserting
9 the defense under this section shall have the burden
10 of establishing the defense.

11 “(5) ABANDONMENT OF USE.—A person who
12 has abandoned commercial use of subject matter
13 may not rely on activities performed before the date
14 of such abandonment in establishing a defense under
15 subsection (b) with respect to actions taken after the
16 date of such abandonment.

17 “(6) PERSONAL DEFENSE.—The defense under
18 this section may only be asserted by the person who
19 performed the acts necessary to establish the defense
20 and, except for any transfer to the patent owner, the
21 right to assert the defense shall not be licensed or
22 assigned or transferred to another person except in
23 connection with the good faith assignment or trans-
24 fer of the entire enterprise or line of business to
25 which the defense relates.

1 “(7) ONE-YEAR LIMITATION.—A person may
 2 not assert a defense under this section unless the
 3 subject matter on which the defense is based had
 4 been commercially used or reduced to practice more
 5 than one year prior to the effective filing date of the
 6 patent by the person asserting the defense or some-
 7 one in privity with that person.

8 “(d) UNSUCCESSFUL ASSERTION OF DEFENSE.—If
 9 the defense under this section is pleaded by a person who
 10 is found to infringe the patent and who subsequently fails
 11 to demonstrate a reasonable basis for asserting the de-
 12 fense, the court shall find the case exceptional for the pur-
 13 pose of awarding attorney’s fees under section 285 of this
 14 title.

15 “(e) INVALIDITY.—A patent shall not be deemed to
 16 be invalid under section 102 or 103 of this title solely be-
 17 cause a defense is established under this section.”.

18 (b) CONFORMING AMENDMENT.—The table of sec-
 19 tions at the beginning of chapter 28 of title 35, United
 20 States Code, is amended by adding at the end the follow-
 21 ing new item:

“Sec. 273. Prior domestic commercial use; defense to infringement.”.

22 **SEC. 403. EFFECTIVE DATE AND APPLICABILITY.**

23 This title and the amendments made by this title
 24 shall take effect on the date of the enactment of this Act,
 25 but shall not apply to any action for infringement that

1 is pending on such date of enactment or with respect to
2 any subject matter for which an adjudication of infringe-
3 ment, including a consent judgment, has been made before
4 such date of enactment.

5 **TITLE V—PATENT**
6 **REEXAMINATION REFORM**

7 **SEC. 501. SHORT TITLE.**

8 This title may be cited as the “Patent Reexamination
9 Reform Act of 1997”.

10 **SEC. 502. DEFINITIONS.**

11 Section 100 of title 35, United States Code, is
12 amended by adding at the end the following new sub-
13 section:

14 “(e) The term ‘third-party requester’ means a person
15 requesting reexamination under section 302 of this title
16 who is not the patent owner.”.

17 **SEC. 503. REEXAMINATION PROCEDURES.**

18 (a) **REQUEST FOR REEXAMINATION.**—Section 302 of
19 title 35, United States Code, is amended to read as fol-
20 lows:

21 **“§ 302. Request for reexamination**

22 “(a) **IN GENERAL.**—Any person at any time may file
23 a request for reexamination by the Office of a patent on
24 the basis of any prior art cited under the provisions of
25 section 301 of this title or on the basis of the requirements

1 of section 112 of this title except for the requirement to
2 set forth the best mode of carrying out the invention.

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

4 “(1) be in writing, include the identity of the
5 real party in interest, and be accompanied by pay-
6 ment of a reexamination fee established by the Com-
7 missioner of Patents pursuant to the provisions of
8 section 41 of this title; and

9 “(2) set forth the pertinency and manner of ap-
10 plying cited prior art to every claim for which reex-
11 amination is requested or the manner in which the
12 patent specification or claims fail to comply with the
13 requirements of section 112 of this title.

14 “(c) COPY.—Unless the requesting person is the
15 owner of the patent, the Commissioner promptly shall
16 send a copy of the request to the owner of record of the
17 patent.”.

18 (b) DETERMINATION OF ISSUE BY COMMISSIONER.—
19 Section 303 of title 35, United States Code, is amended
20 to read as follows:

21 **“§ 303. Determination of issue by Commissioner**

22 “(a) REEXAMINATION.—Not later than 3 months
23 after the filing of a request for reexamination under the
24 provisions of section 302 of this title, the Commissioner
25 shall determine whether a substantial new question of pat-

1 entability affecting any claim of the patent concerned is
2 raised by the request, with or without consideration of
3 other patents or printed publications. On the Commis-
4 sioner's initiative, and any time, the Commissioner may
5 determine whether a substantial new question of patent-
6 ability is raised by patents and publications or by the fail-
7 ure of the patent specification or claims to comply with
8 the requirements of section 112 of this title except for the
9 best mode requirement described in section 302.

10 “(b) RECORD.—A record of the Commissioner's de-
11 termination under subsection (a) shall be placed in the of-
12 ficial file of the patent, and a copy shall be promptly given
13 or mailed to the owner of record of the patent and to the
14 third-party requester, if any.

15 “(c) FINAL DECISION.—A determination by the
16 Commissioner pursuant to subsection (a) shall be final
17 and nonappealable. Upon a determination that no sub-
18 stantial new question of patentability has been raised, the
19 Commissioner may refund a portion of the reexamination
20 fee required under section 302 of this title.”.

21 (c) REEXAMINATION ORDER BY COMMISSIONER.—
22 Section 304 of title 35, United States Code, is amended
23 to read as follows:

1 **“§ 304. Reexamination order by Commissioner**

2 “If, in a determination made under the provisions of
3 section 303(a) of this title, the Commissioner finds that
4 a substantial new question of patentability affecting a
5 claim of a patent is raised, the determination shall include
6 an order for reexamination of the patent for resolution of
7 the question. The order may be accompanied by the initial
8 action of the Patent Office on the merits of the reexamina-
9 tion conducted in accordance with section 305 of this
10 title.”.

11 (d) CONDUCT OF REEXAMINATION PROCEEDINGS.—
12 Section 305 of title 35, United States Code, is amended
13 to read as follows:

14 **“§ 305. Conduct of reexamination proceedings**

15 “(a) IN GENERAL.—Subject to subsection (b), reex-
16 amination shall be conducted according to the procedures
17 established for initial examination under the provisions of
18 sections 132 and 133 of this title. In any reexamination
19 proceeding under this chapter, the patent owner shall be
20 permitted to propose any amendment to the patent and
21 a new claim or claims, except that no proposed amended
22 or new claim enlarging the scope of the claims of the pat-
23 ent shall be permitted.

24 “(b) RESPONSE.—(1) This subsection shall apply to
25 any reexamination proceeding in which the order for reex-

1 amination is based upon a request by a third-party re-
2 quester.

3 “(2) With the exception of the reexamination request,
4 any document filed by either the patent owner or the
5 third-party requester shall be served on the other party.

6 “(3) If the patent owner files a response to any Pat-
7 ent Office action on the merits, the third-party requester
8 shall have 1 opportunity to file written comments within
9 a reasonable period not less than 1 month after the date
10 of service of the patent owner’s response. Written com-
11 ments provided under this paragraph shall be limited to
12 issues covered by the Patent Office action or the patent
13 owner’s response.

14 “(c) SPECIAL DISPATCH.—Unless otherwise provided
15 by the Commissioner for good cause, all reexamination
16 proceedings under this section, including any appeal to the
17 Board of Patent Appeals and Interferences, shall be con-
18 ducted with special dispatch within the Office.”.

19 (e) APPEAL.—Section 306 of title 35, United States
20 Code, is amended to read as follows:

21 **“§ 306. Appeal**

22 “(a) PATENT OWNER.—The patent owner involved in
23 a reexamination proceeding under this chapter—

24 “(1) may appeal under the provisions of section
25 134 of this title, and may appeal under the provi-

1 sions of sections 141 through 144 of this title, with
2 respect to any decision adverse to the patentability
3 of any original or proposed amended or new claim
4 of the patent, and

5 “(2) may be a party to any appeal taken by a
6 third-party requester pursuant to subsection (b) of
7 this section.

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

10 “(1) appeal under the provisions of section 134
11 of this title, and may appeal under the provisions of
12 sections 141 through 144 of this title, with respect
13 to any final decision favorable to the patentability of
14 any original or proposed amended or new claim of
15 the patent; or

16 “(2) be a party to any appeal taken by the pat-
17 ent owner, subject to subsection (c) of this section.

18 “(c) PARTICIPATION AS PARTY.—

19 “(1) IN GENERAL.—A third-party requester
20 who, under the provisions of sections 141 through
21 144 of this title, files a notice of appeal or who par-
22 ticipates as a party to an appeal by the patent owner
23 is estopped from asserting at a later time, in any
24 forum, the invalidity of any claim determined to be
25 patentable on appeal on any ground which the third-

1 party requester raised or could have raised during
2 the reexamination proceedings.

3 “(2) ELECTION TO PARTICIPATE.—A third-
4 party requester is deemed not to have participated
5 as a party to an appeal by the patent owner unless,
6 not later than 20 days after the patent owner has
7 filed notice of appeal, the third-party requester files
8 notice with the Commissioner electing to partici-
9 pate.”.

10 (f) REEXAMINATION PROHIBITED.—

11 “(1) IN GENERAL.—Chapter 30 of title 35,
12 United States Code, is amended by adding at the
13 end the following new section:

14 **“§ 308. Reexamination prohibited**

15 “(a) ORDER FOR REEXAMINATION.—Notwithstand-
16 ing any provision of this chapter, once an order for reex-
17 amination of a patent has been issued under section 304
18 of this title, neither the patent owner nor the third-party
19 requester, if any, nor privies of either, may file a subse-
20 quent request for reexamination of the patent until a reex-
21 amination certificate is issued and published under section
22 307 of this title, unless authorized by the Commissioner.

23 “(b) FINAL DECISION.—Once a final decision has
24 been entered against a party in a civil action arising in
25 whole or in part under section 1338 of title 28 that the

1 party has not sustained its burden of proving the invalidity
2 of any patent claim in suit, then neither that party nor
3 its privies may thereafter request reexamination of any
4 such patent claim on the basis of issues which that party
5 or its privies raised or could have raised in such civil ac-
6 tion, and a reexamination requested by that party or its
7 privies on the basis of such issues may not thereafter be
8 maintained by the Office, notwithstanding any other provi-
9 sion of this chapter.”.

10 (2) TECHNICAL AND CONFORMING AMEND-
11 MENT.—The table of sections for chapter 30 of title
12 35, United States Code, is amended by adding at
13 the end the following:

“308. Reexamination prohibited.”.

14 **SEC. 504. CONFORMING AMENDMENTS.**

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

18 “(7) On filing each petition for the revival of an
19 unintentionally abandoned application for a patent,
20 for the unintentionally delayed payment of the fee
21 for issuing each patent, or for an unintentionally de-
22 layed response by the patent owner in a reexamina-
23 tion proceeding, \$1,250, unless the petition is filed
24 under sections 133 or 151 of this title, in which case
25 the fee shall be \$110.”.

1 (b) APPEAL TO THE BOARD OF PATENT APPEALS
2 AND INTERFERENCES.—Section 134 of title 35, United
3 States Code, is amended to read as follows:

4 **“§ 134. Appeal to the Board of Patent Appeals and**
5 **Interferences**

6 “(a) PATENT APPLICANT.—An applicant for a pat-
7 ent, any of whose claims has been twice rejected, may ap-
8 peal from the decision of the primary examiner to the
9 Board of Patent Appeals and Interferences, having once
10 paid the fee for such appeal.

11 “(b) PATENT OWNER.—A patent owner in a reexam-
12 ination proceeding may appeal from the final rejection of
13 any claim by the primary examiner to the Board of Patent
14 Appeals and Interferences, having once paid the fee for
15 such appeal.

16 “(c) THIRD-PARTY.—A third-party requester may
17 appeal to the Board of Patent Appeals and Interferences
18 from the final decision of the primary examiner favorable
19 to the patentability of any original or proposed amended
20 or new claim of a patent, having once paid the fee for
21 such appeal.”.

22 (d) APPEAL TO COURT OF APPEALS FOR THE FED-
23 ERAL CIRCUIT.—Section 141 of title 35, United States
24 Code, is amended by amending the first sentence to read
25 as follows: “An applicant, a patent owner, or a third-party

1 requester, dissatisfied with the final decision in an appeal
2 to the Board of Patent Appeals and Interferences under
3 section 134 of this title, may appeal the decision to the
4 United States Court of Appeals for the Federal Circuit.”.

5 (e) PROCEEDINGS ON APPEAL.—Section 143 of title
6 35, United States Code, is amended by amending the third
7 sentence to read as follows: “In ex parte and reexamina-
8 tion cases, the Commissioner shall submit to the court in
9 writing the grounds for the decision of the Patent Office,
10 addressing all the issues involved in the appeal.”.

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

14 **SEC. 505. EFFECTIVE DATE.**

15 This title and the amendments made by this title
16 shall take effect on the date that is 6 months after the
17 date of the enactment of this Act and shall apply to all
18 reexamination requests filed on or after such date.

19 **TITLE VI—MISCELLANEOUS**
20 **PATENT PROVISIONS**

21 **SEC. 601. PROVISIONAL APPLICATIONS.**

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

24 “(5) ABANDONMENT.—Notwithstanding the ab-
25 sence of a claim, upon timely request and as pre-

1 scribed by the Commissioner, a provisional applica-
2 tion may be treated as an application filed under
3 subsection (a). If no such request is made, the provi-
4 sional application shall be regarded as abandoned 12
5 months after the filing date of such application and
6 shall not be subject to revival thereafter.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) apply to a provisional application filed on
9 or after June 8, 1995.

10 **SEC. 602. INTERNATIONAL APPLICATIONS.**

11 Section 119 of title 35, United States Code, is
12 amended as follows:

13 (1) In subsection (a), insert “or in a WTO
14 member country” after “or to citizens of the United
15 States,”.

16 (2) At the end of section 119 add the following
17 new subsections:

18 “(f) Applications for plant breeder’s rights filed in
19 a WTO member country (or in a foreign UPOV Contract-
20 ing Party) shall have the same effect for the purpose of
21 the right of priority under subsections (a) through (e) of
22 this section as applications for patents, subject to the
23 same conditions and requirements of this section as apply
24 to applications for patents.

25 “(g) As used in this section—

1 “(1) the term ‘WTO member country’ has the
2 same meaning as the term is defined in section
3 104(b)(2) of this title; and

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

7 **SEC. 603. PLANT PATENTS.**

8 (a) TUBER PROPAGATED PLANTS.—Section 161 of
9 title 35, United States Code, is amended by striking “a
10 tuber propagated plant or”.

11 (b) RIGHTS IN PLANT PATENTS.—The text of section
12 163 of title 35, United States Code, is amended to read
13 as follows: “In the case of a plant patent, the grant to
14 the patentee, such patentee’s heirs or assigns, shall have
15 the right to exclude others from asexually reproducing the
16 plant, and from using, offering for sale, or selling the
17 plant so reproduced, or any of its parts, throughout the
18 United States, or from importing the plant so reproduced,
19 or any parts thereof, into the United States.”.

20 (c) EFFECTIVE DATE.—The amendments by sub-
21 section (a) shall apply on the date of enactment of this
22 Act. The amendments made by subsection (b) shall apply
23 to any plant patent issued on or after the date of enact-
24 ment of this Act.

1 **SEC. 604. ELECTRONIC FILING.**

2 Section 22 of title 35, United States Code, is amend-
3 ed by striking “printed or typewritten” and inserting
4 “printed, typewritten, or on an electronic medium” .

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