

Union Calendar No. 172

106TH CONGRESS
1ST Session

H. R. 1907

[Report No. 106-287, Part I]

A BILL

To amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

August 3, 1999

Reported with an amendment and referred to the Committee on Government Reform for a period ending not later than August 3, 1999, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(h), rule X

August 3, 1999

Committee on Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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106TH CONGRESS
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[Report No. 106-287, Part I]

To amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1999

Mr. COBLE (for himself, Mr. BERMAN, Mr. HYDE, Mr. CONYERS, Mr. ROHR-ABACHER, Mr. CAMPBELL, Mr. GOODLATTE, Ms. LOFGREN, Mr. DELAHUNT, Mr. PEASE, Mr. WEXLER, and Mr. GALLEGLY) introduced the following bill; which was referred to the Committee on the Judiciary

AUGUST 3, 1999

Reported with an amendment and referred to the Committee on Government Reform for a period ending not later than August 3, 1999, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(h), rule X

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

AUGUST 3, 1999

Additional sponsors: Mr. CANNON, Mrs. MORELLA, Mrs. KELLY, Mr. SMITH of Washington, Mrs. TAUSCHER, Ms. ESHOO, Mr. LARGENT, Mr. BARTLETT of Maryland, Mr. FRANKS of New Jersey, Mr. FRANK of Massachusetts, Mr. BILBRAY, Mr. FROST, Mr. LANTOS, Mr. SWEENEY, Mr. SHERMAN, Mr. DOOLEY of California, Mr. McDERMOTT, Mr. BOUCHER, Mr. PORTMAN, Mr. DAVIS of Florida, Mrs. NAPOLITANO, Mrs. MEEK of Florida, Mr. PETRI, Mr. NORWOOD, Mr. BALLENGER, Mrs. JOHNSON of Connecticut, Mr. BRYANT, Mr. ROTHMAN, Mr. EHRlich, Mr. MALONEY of Connecticut, Mr. DICKS, Mr. WATT of North Carolina, Mr. DREIER, Mr. McCOLLUM, Mr. VENTO, Mr. CALVERT, Mr. PRICE of North Carolina, Mr. LEWIS of Georgia, Mr. CLEMENT, Mr. FORD, Mr. MORAN of Virginia, Mr. ETHERIDGE, Ms. MCCARTHY of Missouri, Mr. HILL of Montana, Mr. CASTLE, Mr. MASCARA, Mr. SHADEGG, AND Mr. WOLF

AUGUST 3, 1999

Committee on Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 24, 1999]

A BILL

To amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, 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 “American Inventors Pro-*
 5 *tection Act of 1999”.*

6 **SEC. 2. TABLE OF CONTENTS.**

7 *The table of contents is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—INVENTORS’ RIGHTS

Sec. 101. Short title.

Sec. 102. Invention promotion services.

Sec. 103. Effective date.

TITLE II—FIRST INVENTOR DEFENSE

Sec. 201. Short title.

Sec. 202. Defense to patent infringement based on earlier inventor.

Sec. 203. Effective date and applicability.

TITLE III—PATENT TERM GUARANTEE

Sec. 301. Short title.

Sec. 302. Patent term guarantee authority.

Sec. 303. Continued examination of patent applications.

Sec. 304. Technical clarification.

Sec. 305. Effective date.

*TITLE IV—UNITED STATES PUBLICATION OF PATENT
APPLICATIONS PUBLISHED ABROAD*

- Sec. 401. Short title.*
Sec. 402. Publication.
Sec. 403. Time for claiming benefit of earlier filing date.
Sec. 404. Provisional rights.
Sec. 405. Prior art effect of published applications.
Sec. 406. Cost recovery for publication.
Sec. 407. Conforming amendments.
Sec. 408. Effective date.

TITLE V—PATENT LITIGATION REDUCTION ACT

- Sec. 501. Short title.*
Sec. 502. Definitions.
Sec. 503. Reexamination procedures.
Sec. 504. Conforming amendments.
Sec. 505. Report to Congress.
Sec. 506. Estoppel effect of reexamination.
Sec. 507. Effective date.

TITLE VI—PATENT AND TRADEMARK OFFICE

- Sec. 601. Short title.*

Subtitle A—United States Patent and Trademark Office

- Sec. 611. Establishment of Patent and Trademark Office.*
Sec. 612. Powers and duties.
Sec. 613. Organization and management.
Sec. 614. Personnel flexibility.
Sec. 615. Public Advisory Committees.
Sec. 616. Patent and Trademark Office funding.
Sec. 617. Conforming amendments.
Sec. 618. Trademark Trial and Appeal Board.
Sec. 619. Board of Patent Appeals and Interferences.
Sec. 620. Annual report of Director.
Sec. 621. Suspension or exclusion from practice.
Sec. 622. Pay of Director.

Subtitle B—Effective Date; Technical Amendments

- Sec. 631. Effective date.*
Sec. 632. Technical and conforming amendments.

Subtitle C—Miscellaneous Provisions

- Sec. 641. References.*
Sec. 642. Exercise of authorities.
Sec. 643. Savings provisions.
Sec. 644. Transfer of assets.
Sec. 645. Delegation and assignment.
*Sec. 646. Authority of Director of the Office of Management and Budget with re-
spect to functions transferred.*
Sec. 647. Certain vesting of functions considered transfers.
Sec. 648. Availability of existing funds.
Sec. 649. Definitions.

TITLE VII—MISCELLANEOUS PATENT PROVISIONS

Sec. 701. *Provisional applications.*

Sec. 702. *International applications.*

Sec. 703. *Certain limitations on damages for patent infringement not applicable.*

Sec. 704. *Electronic filing.*

Sec. 705. *Study and report on biological deposits in support of biotechnology patents.*

Sec. 706. *Prior invention.*

Sec. 707. *Prior art exclusion for certain commonly assigned patents.*

1 **TITLE I—INVENTORS’ RIGHTS**2 **SEC. 101. SHORT TITLE.**

3 *This title may be cited as the “Inventors’ Rights Act”.*

4 **SEC. 102. INVENTION PROMOTION SERVICES.**

5 *Part I of title 35, United States Code, is amended by*
6 *adding after chapter 4 the following chapter:*

7 **“CHAPTER 5—INVENTION PROMOTION**
8 **SERVICES**

“Sec.

“51. *Definitions.*

“52. *Contracting requirements.*

“53. *Standard provisions for cover notice.*

“54. *Reports to customer required.*

“55. *Mandatory contract terms.*

“56. *Remedies.*

“57. *Records of complaints.*

“58. *Fraudulent representation by an invention promoter.*

“59. *Rule of construction.*

9 **“§ 51. Definitions**

10 *“For purposes of this chapter—*

11 *“(1) the term ‘contract for invention promotion*
12 *services’ means a contract by which an invention pro-*
13 *moter undertakes invention promotion services for a*
14 *customer;*

1 “(2) the term ‘customer’ means any person, firm,
2 partnership, corporation, or other entity who enters
3 into a financial relationship or a contract with an
4 invention promoter for invention promotion services;

5 “(3) the term ‘invention promoter’ means any
6 person, firm, partnership, corporation, or other entity
7 who offers to perform or performs for, or on behalf of,
8 a customer any act described under paragraph (4),
9 but does not include—

10 “(A) any department or agency of the Fed-
11 eral Government or of a State or local govern-
12 ment;

13 “(B) any nonprofit, charitable, scientific, or
14 educational organization, qualified under appli-
15 cable State law or described under section
16 170(b)(1)(A) of the Internal Revenue Code of
17 1986; or

18 “(C) any person duly registered with, and
19 in good standing before, the United States Patent
20 and Trademark Office acting within the scope of
21 that person’s registration to practice before the
22 Patent and Trademark Office, except when that
23 person performs any act described in subpara-
24 graph (B) or (C) of paragraph (4); and

1 “(4) the term ‘invention promotion services’
2 means, with respect to an invention by a customer,
3 any act involved in—

4 “(A) evaluating the invention to determine
5 its protectability as some form of intellectual
6 property, other than evaluation by a person li-
7 censed by a State to practice law who is acting
8 solely within the scope of that person’s profes-
9 sional license;

10 “(B) evaluating the invention to determine
11 its commercial potential by any person for pur-
12 poses other than providing venture capital; or

13 “(C) marketing, brokering, offering to li-
14 cense or sell, or promoting the invention or a
15 product or service in which the invention is in-
16 corporated or used, except that the display only
17 of an invention at a trade show or exhibit shall
18 not be considered to be invention promotion serv-
19 ices.

20 **“§ 52. Contracting requirements**

21 “(a) *IN GENERAL.*—(1) Every contract for invention
22 promotion services shall be in writing and shall be subject
23 to the provisions of this chapter. A copy of the signed writ-
24 ten contract shall be given to the customer at the time the
25 customer enters into the contract.

1 “(2) *If a contract is entered into for the benefit of a*
2 *third party, the identity and address of such party shall*
3 *be disclosed by such party’s agent and such party shall be*
4 *considered a customer for purposes of this chapter.*

5 “(b) *REQUIREMENTS OF INVENTION PROMOTER.—The*
6 *invention promoter shall—*

7 “(1) *state in a written document, at the time a*
8 *customer enters into a contract for invention pro-*
9 *motion services, whether the usual business practice of*
10 *the invention promoter is to—*

11 “(A) *seek more than 1 contract in connec-*
12 *tion with an invention; or*

13 “(B) *seek to perform services in connection*
14 *with an invention in 1 or more phases, with the*
15 *performance of each phase covered in 1 or more*
16 *subsequent contracts; and*

17 “(2) *supply to the customer a copy of the written*
18 *document together with a written summary of the*
19 *usual business practices of the invention promoter,*
20 *including—*

21 “(A) *the usual business terms of contracts;*
22 *and*

23 “(B) *the approximate amount of the usual*
24 *fees or other consideration that may be required*

1 *from the customer for each of the services pro-*
2 *vided by the invention promoter.*

3 “(c) *RIGHT OF CUSTOMER TO CANCEL CONTRACT.*—

4 (1) *Notwithstanding any contractual provision to the con-*
5 *trary, a customer shall have the right to terminate a con-*
6 *tract for invention promotion services by sending a written*
7 *letter to the invention promoter stating the customer’s in-*
8 *tent to cancel the contract. The letter of termination must*
9 *be deposited with the United States Postal Service on or*
10 *before 5 business days after the date upon which the cus-*
11 *tomer or the invention promoter executes the contract,*
12 *whichever is later.*

13 “(2) *Delivery of a promissory note, check, bill of ex-*
14 *change, or negotiable instrument of any kind to the inven-*
15 *tion promoter or to a third party for the benefit of the in-*
16 *vention promoter, without regard to the date or dates ap-*
17 *pearing in such instrument, shall be deemed payment re-*
18 *ceived by the invention promoter on the date received for*
19 *purposes of this section.*

20 “**§ 53. Standard provisions for cover notice**

21 “(a) *CONTENTS.*—*Every contract for invention pro-*
22 *motion services shall have a conspicuous and legible cover*
23 *sheet attached with the following notice imprinted in bold-*
24 *face type of not less than 12-point size:*

1 *YOU HAVE THE RIGHT TO TERMINATE THIS*
2 *CONTRACT. TO TERMINATE THIS CONTRACT, YOU*
3 *MUST SEND A WRITTEN LETTER TO THE COM-*
4 *PANY STATING YOUR INTENT TO CANCEL THIS*
5 *CONTRACT.*

6 *THE LETTER OF TERMINATION MUST BE DE-*
7 *POSITED WITH THE UNITED STATES POSTAL*
8 *SERVICE ON OR BEFORE FIVE (5) BUSINESS DAYS*
9 *AFTER THE DATE ON WHICH YOU OR THE COM-*
10 *PANY EXECUTE THE CONTRACT, WHICHEVER IS*
11 *LATER.*

12 *THE TOTAL NUMBER OF INVENTIONS EVALU-*
13 *ATED BY THE INVENTION PROMOTER FOR COM-*
14 *MERCIAL POTENTIAL IN THE PAST FIVE (5)*
15 *YEARS IS XXXXX. OF THAT NUMBER, XXXXX RE-*
16 *CEIVED POSITIVE EVALUATIONS AND XXXXX RE-*
17 *CEIVED NEGATIVE EVALUATIONS.*

18 *IF YOU ASSIGN EVEN A PARTIAL INTEREST*
19 *IN THE INVENTION TO THE INVENTION PRO-*
20 *MOTER, THE INVENTION PROMOTER MAY HAVE*
21 *THE RIGHT TO SELL OR DISPOSE OF THE INVEN-*
22 *TION WITHOUT YOUR CONSENT AND MAY NOT*
23 *HAVE TO SHARE THE PROFITS WITH YOU.*

24 *THE TOTAL NUMBER OF CUSTOMERS WHO*
25 *HAVE CONTRACTED WITH THE INVENTION PRO-*

1 *MOTER IN THE PAST FIVE (5) YEARS IS XXXXX.*
2 *THE TOTAL NUMBER OF CUSTOMERS KNOWN BY*
3 *THIS INVENTION PROMOTER TO HAVE RECEIVED,*
4 *BY VIRTUE OF THIS INVENTION PROMOTER'S*
5 *PERFORMANCE, AN AMOUNT OF MONEY IN EX-*
6 *CESS OF THE AMOUNT PAID BY THE CUSTOMER*
7 *TO THIS INVENTION PROMOTER IS XXXXXXXX. AS*
8 *A RESULT OF THE EFFORTS OF THIS INVENTION*
9 *PROMOTER, XXXXX NUMBER OF CUSTOMERS*
10 *HAVE RECEIVED LICENSE AGREEMENTS FOR*
11 *THEIR INVENTIONS.*

12 *THE OFFICERS OF THIS INVENTION PRO-*
13 *MOTER HAVE COLLECTIVELY OR INDIVIDUALLY*
14 *BEEN AFFILIATED IN THE LAST TEN (10) YEARS*
15 *WITH THE FOLLOWING INVENTION PROMOTION*
16 *COMPANIES: (LIST THE NAMES AND ADDRESSES*
17 *OF ALL PREVIOUS INVENTION PROMOTION COM-*
18 *PANIES WITH WHICH THE PRINCIPAL OFFICERS*
19 *HAVE BEEN AFFILIATED AS OWNERS, AGENTS, OR*
20 *EMPLOYEES). YOU ARE ENCOURAGED TO CHECK*
21 *WITH THE UNITED STATES PATENT AND TRADE-*
22 *MARK OFFICE, THE FEDERAL TRADE COMMIS-*
23 *SION, YOUR STATE ATTORNEY GENERAL'S OF-*
24 *FICE, AND THE BETTER BUSINESS BUREAU FOR*
25 *ANY COMPLAINTS FILED AGAINST ANY OF THESE*

1 *COMPANIES WHICH RESULTED IN REGULATORY*
2 *SANCTIONS OR OTHER CORRECTIVE ACTIONS.*

3 *YOU ARE ENCOURAGED TO CONSULT WITH*
4 *AN ATTORNEY OF YOUR OWN CHOOSING BEFORE*
5 *SIGNING THIS CONTRACT. BY PROCEEDING WITH-*
6 *OUT THE ADVICE OF AN ATTORNEY REGISTERED*
7 *TO PRACTICE BEFORE THE UNITED STATES PAT-*
8 *ENT AND TRADEMARK OFFICE, YOU COULD LOSE*
9 *ANY RIGHTS YOU MIGHT HAVE IN YOUR IDEA OR*
10 *INVENTION.’*

11 “(b) *OTHER REQUIREMENTS FOR COVER NOTICE.—*
12 *The cover notice shall contain the items required under sub-*
13 *section (a) and the name, primary office address, and local*
14 *office address of the invention promoter, and may contain*
15 *no other matter.*

16 “(c) *DISCLOSURE OF CERTAIN CUSTOMERS NOT RE-*
17 *QUIRED.—The requirement in the notice set forth in sub-*
18 *section (a) to include the ‘TOTAL NUMBER OF CUS-*
19 *TOMERS WHO HAVE CONTRACTED WITH THE IN-*
20 *VENTION PROMOTER IN THE PAST FIVE (5)*
21 *YEARS’ need not include information with respect to cus-*
22 *tomers who have purchased trade show services, research,*
23 *advertising, or other nonmarketing services from the inven-*
24 *tion promoter, nor with respect to customers who have de-*
25 *faulted in their payment to the invention promoter.*

1 **“§ 54. Reports to customer required**

2 *“With respect to every contract for invention pro-*
3 *motion services, the invention promoter shall deliver to the*
4 *customer at the address specified in the contract, at least*
5 *once every 3 months throughout the term of the contract,*
6 *a written report that identifies the contract and includes—*

7 *“(1) a full, clear, and concise description of the*
8 *services performed to the date of the report and of the*
9 *services yet to be performed and names of all persons*
10 *who it is known will perform the services; and*

11 *“(2) the name and address of each person, firm,*
12 *corporation, or other entity to whom the subject mat-*
13 *ter of the contract has been disclosed, the reason for*
14 *each such disclosure, the nature of the disclosure, and*
15 *complete and accurate summaries of all responses re-*
16 *ceived as a result of those disclosures.*

17 **“§ 55. Mandatory contract terms**

18 *“(a) MANDATORY TERMS.—Each contract for inven-*
19 *tion promotion services shall include in boldface type of not*
20 *less than 12-point size—*

21 *“(1) the terms and conditions of payment and*
22 *contract termination rights required under section 52;*

23 *“(2) a statement that the customer may avoid*
24 *entering into the contract by not making the initial*
25 *payment to the invention promoter;*

1 “(3) a full, clear, and concise description of the
2 specific acts or services that the invention promoter
3 undertakes to perform for the customer;

4 “(4) a statement as to whether the invention pro-
5 moter undertakes to construct, sell, or distribute one
6 or more prototypes, models, or devices embodying the
7 invention of the customer;

8 “(5) the full name and principal place of busi-
9 ness of the invention promoter and the name and
10 principal place of business of any parent, subsidiary,
11 agent, independent contractor, and any affiliated
12 company or person who it is known will perform any
13 of the services or acts that the invention promoter un-
14 dertakes to perform for the customer;

15 “(6) if any oral or written representation of esti-
16 mated or projected customer earnings is given by the
17 invention promoter (or any agent, employee, officer,
18 director, partner, or independent contractor of such
19 invention promoter), a statement of that estimation
20 or projection and a description of the data upon
21 which such representation is based;

22 “(7) the name and address of the custodian of all
23 records and correspondence relating to the contracted
24 for invention promotion services, and a statement
25 that the invention promoter is required to maintain

1 *all records and correspondence relating to perform-*
2 *ance of the invention promotion services for such cus-*
3 *tomer for a period of not less than 2 years after expi-*
4 *ration of the term of such contract; and*

5 “(8) *a statement setting forth a time schedule for*
6 *performance of the invention promotion services, in-*
7 *cluding an estimated date in which such performance*
8 *is expected to be completed.*

9 “(b) *INVENTION PROMOTER AS FIDUCIARY.—To the*
10 *extent that the description of the specific acts or services*
11 *affords discretion to the invention promoter with respect to*
12 *what specific acts or services shall be performed, the inven-*
13 *tion promoter shall be deemed a fiduciary.*

14 “(c) *AVAILABILITY OF INFORMATION.—Records and*
15 *correspondence described under subsection (a)(7) shall be*
16 *made available after 7 days written notice to the customer*
17 *or the representative of the customer to review and copy*
18 *at a reasonable cost on the invention promoter’s premises*
19 *during normal business hours.*

20 **“§ 56. Remedies**

21 “(a) *IN GENERAL.—(1) Any contract for invention*
22 *promotion services that does not comply with the applicable*
23 *provisions of this chapter shall be voidable at the option*
24 *of the customer.*

1 “(2) *Any contract for invention promotion services en-*
2 *tered into in reliance upon any material false, fraudulent,*
3 *or misleading information, representation, notice, or adver-*
4 *tisement of the invention promoter (or any agent, employee,*
5 *officer, director, partner, or independent contractor of such*
6 *invention promoter) shall be voidable at the option of the*
7 *customer.*

8 “(3) *Any waiver by the customer of any provision of*
9 *this chapter shall be deemed contrary to public policy and*
10 *shall be void and unenforceable.*

11 “(4) *Any contract for invention promotion services*
12 *which provides for filing for and obtaining utility, design,*
13 *or plant patent protection shall be voidable at the option*
14 *of the customer unless the invention promoter offers to per-*
15 *form or performs such act through a person duly registered*
16 *to practice before, and in good standing with, the Patent*
17 *and Trademark Office.*

18 “(b) *CIVIL ACTION.—(1) Any customer who is injured*
19 *by a violation of this chapter by an invention promoter or*
20 *by any material false or fraudulent statement or representa-*
21 *tion, or any omission of material fact, by an invention pro-*
22 *moter (or any agent, employee, director, officer, partner, or*
23 *independent contractor of such invention promoter) or by*
24 *failure of an invention promoter to make all the disclosures*
25 *required under this chapter, may recover in a civil action*

1 *against the invention promoter (or the officers, directors,*
2 *or partners of such invention promoter) in addition to rea-*
3 *sonable costs and attorneys' fees, the greater of—*

4 “(A) \$5,000; or

5 “(B) *the amount of actual damages sustained by*
6 *the customer.*

7 “(2) *Notwithstanding paragraph (1), the court may*
8 *increase damages to not more than 3 times the amount*
9 *awarded, taking into account past complaints made against*
10 *the invention promoter that resulted in regulatory sanctions*
11 *or other corrective actions based on those record compiled*
12 *by the Director under section 57.*

13 “(c) *REBUTTABLE PRESUMPTION OF INJURY.—For*
14 *purposes of this section, substantial violation of any provi-*
15 *sion of this chapter by an invention promoter or execution*
16 *by the customer of a contract for invention promotion serv-*
17 *ices in reliance on any material false or fraudulent state-*
18 *ments or representations or omissions of material fact shall*
19 *establish a rebuttable presumption of injury.*

20 **“§57. Records of complaints**

21 “(a) *RELEASE OF COMPLAINTS.—The Director shall*
22 *make all complaints received by the United States Patent*
23 *and Trademark Office involving invention promoters pub-*
24 *licly available, together with any response of the invention*
25 *promoters.*

1 **TITLE II—FIRST INVENTOR**
2 **DEFENSE**

3 **SEC. 201. SHORT TITLE.**

4 *This title may be cited as the “First Inventor Defense*
5 *Act”.*

6 **SEC. 202. DEFENSE TO PATENT INFRINGEMENT BASED ON**
7 **EARLIER INVENTOR.**

8 *(a) DEFENSE.—Chapter 28 of title 35, United States*
9 *Code, is amended by adding at the end the following new*
10 *section:*

11 **“§273. Defense to infringement based on earlier in-**
12 **ventor**

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

14 *“(1) the terms ‘commercially used’ and ‘commer-*
15 *cial use’ mean use of a process or method in the*
16 *United States or the use of a process or method in the*
17 *design, testing, or production in the United States of*
18 *a product or service, so long as such use is in connec-*
19 *tion with an actual arm’s-length sale or other arm’s-*
20 *length commercial transfer of a product or service,*
21 *whether or not the subject matter at issue is accessible*
22 *to or otherwise known to the public, except that the*
23 *subject matter for which commercial marketing or use*
24 *is subject to a premarketing regulatory review period*
25 *during which the safety or efficacy of the subject mat-*

1 *ter is established, including any period specified in*
2 *section 156(g), shall be deemed ‘commercially used’*
3 *and in ‘commercial use’ during such regulatory re-*
4 *view period;*

5 *“(2) in the case of activities performed by a non-*
6 *profit research laboratory, or nonprofit entity such as*
7 *a university, research center, or hospital, a use for*
8 *which the public is the intended beneficiary shall be*
9 *considered to be a use described in paragraph (1), ex-*
10 *cept that the use—*

11 *“(A) may be asserted as a defense under*
12 *this section only for continued use by and in the*
13 *laboratory or nonprofit entity; and*

14 *“(B) may not be asserted as a defense with*
15 *respect to any subsequent commercialization or*
16 *use outside such laboratory or nonprofit entity;*

17 *“(3) the term ‘process or method’ means ‘process’*
18 *as defined in section 100(b), and includes any inven-*
19 *tion that produces a useful end product or service*
20 *which has been or could have been claimed in a pat-*
21 *ent in the form of a process; and*

22 *“(4) the ‘effective filing date’ of a patent is the*
23 *earlier of the actual filing date of the application for*
24 *the patent or the filing date of any earlier United*
25 *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.*—*It shall be a defense to an*
5 *action for infringement under section 271 of this title*
6 *with respect to any subject matter that would other-*
7 *wise infringe one or more claims asserting a process*
8 *or method in the patent being asserted against a per-*
9 *son, if such person had, acting in good faith, actually*
10 *reduced the subject matter to practice at least one*
11 *year before the effective filing date of such patent, and*
12 *commercially used the subject matter before the effec-*
13 *tive filing date of such patent.*

14 “(2) *EXHAUSTION OF RIGHT.*—*The sale or other*
15 *disposition, of a product or service produced by a*
16 *patented process or method, by a person entitled to*
17 *assert a defense under this section with respect to that*
18 *product or service shall exhaust the patent owner’s*
19 *rights under the patent to the extent such rights*
20 *would have been exhausted had such sale or other dis-*
21 *position been made by the patent owner.*

22 “(3) *LIMITATIONS AND QUALIFICATIONS OF DE-*
23 *FENSE.*—*The defense to infringement under this sec-*
24 *tion is subject to the following:*

1 “(A) *PATENT.*—A person may not assert the
2 *defense under this section unless the invention*
3 *for which the defense is asserted is for a process*
4 *or method, the exclusive purpose of which is to*
5 *produce a useful end product or service.*

6 “(B) *DERIVATION.*—A person may not as-
7 *sert the defense under this section if the subject*
8 *matter on which the defense is based was derived*
9 *from the patentee or persons in privity with the*
10 *patentee.*

11 “(C) *NOT A GENERAL LICENSE.*—The de-
12 *fense asserted by a person under this section is*
13 *not a general license under all claims of the pat-*
14 *ent at issue, but extends only to the specific sub-*
15 *ject matter claimed in the patent with respect to*
16 *which the person can assert a defense under this*
17 *chapter, except that the defense shall also extend*
18 *to variations in the quantity or volume of use of*
19 *the claimed subject matter, and to improvements*
20 *in the claimed subject matter that do not in-*
21 *fringe additional specifically claimed subject*
22 *matter of the patent.*

23 “(4) *BURDEN OF PROOF.*—A person asserting the
24 *defense under this section shall have the burden of es-*

1 *tablishing the defense by clear and convincing evi-*
2 *dence.*

3 “(5) *ABANDONMENT OF USE.*—*A person who has*
4 *abandoned commercial use of subject matter may not*
5 *rely on activities performed before the date of such*
6 *abandonment in establishing a defense under this sec-*
7 *tion with respect to actions taken after the date of*
8 *such abandonment.*

9 “(6) *PERSONAL DEFENSE.*—*The defense under*
10 *this section may be asserted only by the person who*
11 *performed the acts necessary to establish the defense*
12 *and, except for any transfer to the patent owner, the*
13 *right to assert the defense shall not be licensed or as-*
14 *signed or transferred to another person except as an*
15 *ancillary and subordinate part of a good faith assign-*
16 *ment or transfer for other reasons of the entire enter-*
17 *prise or line of business to which the defense relates.*

18 “(7) *LIMITATION ON SITES.*—*A defense under*
19 *this section, when acquired as part of a good faith as-*
20 *ignment or transfer of an entire enterprise or line of*
21 *business to which the defense relates, may only be as-*
22 *serted for uses at sites where the subject matter that*
23 *would otherwise infringe one or more of the claims is*
24 *in use before the later of the effective filing date of the*

1 *patent or the date of the assignment or transfer of*
2 *such enterprise or line of business.*

3 “(8) *UNSUCCESSFUL ASSERTION OF DEFENSE.*—
4 *If the defense under this section is pleaded by a per-*
5 *son who is found to infringe the patent and who sub-*
6 *sequently fails to demonstrate a reasonable basis for*
7 *asserting the defense, the court shall find the case ex-*
8 *ceptional for the purpose of awarding attorney’s fees*
9 *under section 285 of this title.*

10 “(9) *INVALIDITY.*—*A patent shall not be deemed*
11 *to be invalid under section 102 or 103 of this title*
12 *solely because a defense is raised or established under*
13 *this section.”.*

14 (b) *CONFORMING AMENDMENT.*—*The table of sections*
15 *at the beginning of chapter 28 of title 35, United States*
16 *Code, is amended by adding at the end the following new*
17 *item:*

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

18 **SEC. 203. EFFECTIVE DATE AND APPLICABILITY.**

19 *This title and the amendments made by this title shall*
20 *take effect on the date of the enactment of this Act, but shall*
21 *not apply to any action for infringement that is pending*
22 *on such date of enactment or with respect to any subject*
23 *matter for which an adjudication of infringement, includ-*
24 *ing a consent judgment, has been made before such date of*
25 *enactment.*

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

3 **SEC. 301. SHORT TITLE.**

4 *This title may be cited as the “Patent Term Guarantee*
5 *Act”.*

6 **SEC. 302. PATENT TERM GUARANTEE AUTHORITY.**

7 *(a) ADJUSTMENT OF PATENT TERM.—Section 154(b)*
8 *of title 35, United States Code, is amended to read as fol-*
9 *lows:*

10 *“(b) ADJUSTMENT OF PATENT TERM.—*

11 *“(1) PATENT TERM GUARANTEES.—*

12 *“(A) GUARANTEE OF PROMPT PATENT AND*
13 *TRADEMARK OFFICE RESPONSES.—Subject to the*
14 *limitations under paragraph (2), if the issue of*
15 *an original patent is delayed due to the failure*
16 *of the Patent and Trademark Office to—*

17 *“(i) make a notification of the rejection*
18 *of any claim for a patent or any objection*
19 *or argument under section 132, or give or*
20 *mail a written notice of allowance under*
21 *section 151, within 14 months after the date*
22 *on which the application was filed;*

23 *“(ii) respond to a reply under section*
24 *132, or to an appeal taken under section*
25 *134, within 4 months after the date on*

1 *which the reply was filed or the appeal was*
2 *taken;*

3 “(iii) *act on an application within 4*
4 *months after the date of a decision by the*
5 *Board of Patent Appeals and Interferences*
6 *under section 134 or 135 or a decision by*
7 *a Federal court under section 141, 145, or*
8 *146 in a case in which allowable claims re-*
9 *main in the application; or*

10 “(iv) *issue a patent within 4 months*
11 *after the date on which the issue fee was*
12 *paid under section 151 and all outstanding*
13 *requirements were satisfied;*

14 *the term of the patent shall be extended one day*
15 *for each day after the end of the period specified*
16 *in clause (i), (ii), (iii), or (iv), as the case may*
17 *be, until the action described in such clause is*
18 *taken.*

19 “(B) *GUARANTEE OF NO MORE THAN 3-*
20 *YEAR APPLICATION PENDENCY.—Subject to the*
21 *limitations under paragraph (2), if the issue of*
22 *an original patent is delayed due to the failure*
23 *of the Patent and Trademark Office to issue a*
24 *patent within 3 years after the actual filing date*

1 of the application in the United States, not
2 including—

3 “(i) any time consumed by continued
4 examination of the application requested by
5 the applicant under section 132(b);

6 “(ii) any time consumed by a pro-
7 ceeding under section 135(a), any time con-
8 sumed by the imposition of an order pursu-
9 ant to section 181, or any time consumed
10 by appellate review by the Board of Patent
11 Appeals and Interferences or by a Federal
12 court; or

13 “(iii) any delay in the processing of
14 the application by the Patent and Trade-
15 mark Office requested by the applicant ex-
16 cept as permitted by paragraph (2)(C),

17 the term of the patent shall be extended 1 day for
18 each day after the end of that 3-year period until
19 the patent is issued.

20 “(C) GUARANTEE OR ADJUSTMENTS FOR
21 DELAYS DUE TO INTERFERENCES, SECRECY OR-
22 DERS, AND APPEALS.—Subject to the limitations
23 under paragraph (2), if the issue of an original
24 patent is delayed due to—

25 “(i) a proceeding under section 135(a);

1 “(ii) *the imposition of an order pursu-*
2 *ant to section 181; or*

3 “(iii) *appellate review by the Board of*
4 *Patent Appeals and Interferences or by a*
5 *Federal court in a case in which the patent*
6 *was issued pursuant to a decision in the re-*
7 *view reversing an adverse determination of*
8 *patentability,*

9 *the term of the patent shall be extended one day*
10 *for each day of the pendency of the proceeding,*
11 *order, or review, as the case may be.*

12 “(2) *LIMITATIONS.—*

13 “(A) *IN GENERAL.—To the extent that peri-*
14 *ods of delay attributable to grounds specified in*
15 *paragraph (1) overlap, the period of any adjust-*
16 *ment granted under this subsection shall not ex-*
17 *ceed the actual number of days the issuance of*
18 *the patent was delayed.*

19 “(B) *DISCLAIMED TERM.—No patent the*
20 *term of which has been disclaimed beyond a*
21 *specified date may be adjusted under this section*
22 *beyond the expiration date specified in the dis-*
23 *claimer.*

24 “(C) *REDUCTION OF PERIOD OF ADJUST-*
25 *MENT.—*

1 “(i) *The period of adjustment of the*
2 *term of a patent under paragraph (1) shall*
3 *be reduced by a period equal to the period*
4 *of time during which the applicant failed to*
5 *engage in reasonable efforts to conclude*
6 *prosecution of the application.*

7 “(ii) *With respect to adjustments to*
8 *patent term made under the authority of*
9 *paragraph (1)(B), an applicant shall be*
10 *deemed to have failed to engage in reason-*
11 *able efforts to conclude processing or exam-*
12 *ination of an application for the cumulative*
13 *total of any periods of time in excess of 3*
14 *months that are taken to respond to a notice*
15 *from the Office making any rejection, objec-*
16 *tion, argument, or other request, measuring*
17 *such 3-month period from the date the no-*
18 *tice was given or mailed to the applicant.*

19 “(iii) *The Director shall prescribe reg-*
20 *ulations establishing the circumstances that*
21 *constitute a failure of an applicant to en-*
22 *gage in reasonable efforts to conclude proc-*
23 *essing or examination of an application.*

24 “(3) *PROCEDURES FOR PATENT TERM ADJUST-*
25 *MENT DETERMINATION.—*

1 “(A) *The Director shall prescribe regula-*
2 *tions establishing procedures for the application*
3 *for and determination of patent term adjust-*
4 *ments under this subsection.*

5 “(B) *Under the procedures established under*
6 *subparagraph (A), the Director shall—*

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

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

17 “(C) *The Director shall reinstate all or part*
18 *of the cumulative period of time of an adjust-*
19 *ment under paragraph (2)(C) if the applicant,*
20 *prior to the issuance of the patent, makes a*
21 *showing that, in spite of all due care, the appli-*
22 *cant was unable to respond within the 3-month*
23 *period, but in no case shall more than 3 addi-*
24 *tional months for each such response beyond the*
25 *original 3-month period be reinstated.*

1 “(D) *The Director shall proceed to grant the*
2 *patent after completion of the Director’s deter-*
3 *mination of a patent term adjustment under the*
4 *procedures established under this subsection, not-*
5 *withstanding any appeal taken by the applicant*
6 *of such determination.*

7 “(4) *APPEAL OF PATENT TERM ADJUSTMENT DE-*
8 *TERMINATION.—*

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

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

25 (b) *CONFORMING AMENDMENTS.—*

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

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

8 **SEC. 303. CONTINUED EXAMINATION OF PATENT APPLICA-**
9 **TIONS.**

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

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

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

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

22 **SEC. 304. TECHNICAL CLARIFICATION.**

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

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

3 **SEC. 305. EFFECTIVE DATE.**

4 *(a) SECTIONS 302 AND 304.—The amendments made*
5 *by sections 302 and 304 shall take effect on the date of the*
6 *enactment of this Act and, except for a design patent appli-*
7 *cation filed under chapter 16 of title 35, United States*
8 *Code, shall apply to any application filed on or after the*
9 *date of the enactment of this Act.*

10 *(b) SECTION 303.—The amendments made by section*
11 *303 shall take effect 6 months after the date of the enactment*
12 *of this Act.*

13 **TITLE IV—UNITED STATES PUB-**
14 **LICATION OF PATENT APPLI-**
15 **CATIONS PUBLISHED ABROAD**

16 **SEC. 401. SHORT TITLE.**

17 *This title may be referred to as the “Publication of*
18 *Foreign Filed Applications Act”.*

19 **SEC. 402. PUBLICATION.**

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

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

24 *“(a) CONFIDENTIALITY.—Except as provided in sub-*
25 *section (b), applications for patents shall be kept in con-*

1 *fidence by the Patent and Trademark Office and no infor-*
2 *mation concerning any such application shall be given*
3 *without authority of the applicant or owner unless nec-*
4 *essary to carry out the provisions of an Act of Congress*
5 *or in such special circumstances as may be determined by*
6 *the Director.*

7 “(b) *UNITED STATES PUBLICATION OF APPLICATIONS*
8 *PUBLISHED ABROAD.—*

9 “(1) *IN GENERAL.—(A) Subject to paragraph*
10 *(2), each application for patent, except applications*
11 *for design patents filed under chapter 16 and provi-*
12 *sional applications filed under section 111(b), shall be*
13 *published, in accordance with procedures determined*
14 *by the Director, promptly upon the expiration of a*
15 *period of 18 months after the earliest filing date for*
16 *which a benefit is sought under this title. At the re-*
17 *quest of the applicant, an application may be pub-*
18 *lished earlier than the end of such 18-month period.*

19 “(B) *No information concerning published pat-*
20 *ent applications shall be made available to the public*
21 *except as the Director determines.*

22 “(C) *Pursuant to this title and notwithstanding*
23 *any other provision of law, a determination by the*
24 *Director to release or not to release information con-*

1 cerning a published patent application shall be final
2 and nonreviewable.

3 “(2) *EXCEPTIONS.*—(A) An application that is
4 no longer pending shall not be published.

5 “(B) An application that is subject to a secrecy
6 order under section 181 shall not be published.

7 “(C)(i) If an applicant, upon filing, makes a re-
8 quest that an application not be published pursuant
9 to paragraph (1), and states in such request that the
10 invention disclosed in the application has not been
11 the subject of an application filed in another country,
12 or under a multilateral international agreement, that
13 requires publication of applications 18 months after
14 filing, the application shall not be published as pro-
15 vided in paragraph (1).

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

18 “(iii) An applicant who has made a request
19 under clause (i) but who subsequently files, in a for-
20 eign country or under a multilateral international
21 agreement specified in clause (i), an application di-
22 rected to the invention disclosed in the application
23 filed in the Patent and Trademark Office, shall notify
24 the Director of such filing not later than 45 days
25 after the date of the filing of such foreign or inter-

1 *national application. A failure of the applicant to*
2 *provide such notice within the prescribed period shall*
3 *result in the application being regarded as aban-*
4 *doned, unless it is shown to the satisfaction of the Di-*
5 *rector that the delay in submitting the notice was un-*
6 *intentional.*

7 *“(iv) If a notice is made pursuant to clause (iii),*
8 *or the applicant rescinds a request pursuant to clause*
9 *(ii), the Director shall publish the application on or*
10 *as soon as is practical after the date that is specified*
11 *in clause (i).*

12 *“(v) If an applicant has filed applications in*
13 *one or more foreign countries, directly or through a*
14 *multilateral international agreement, and such for-*
15 *foreign filed applications corresponding to an applica-*
16 *tion filed in the Patent and Trademark Office or the*
17 *description of the invention in such foreign filed ap-*
18 *plications is less extensive than the application or de-*
19 *scription of the invention in the application filed in*
20 *the Patent and Trademark Office, the applicant may*
21 *submit a redacted copy of the application filed in the*
22 *Patent and Trademark Office eliminating any part*
23 *or description of the invention in such application*
24 *that is not also contained in any of the corresponding*
25 *applications filed in a foreign country. The Director*

1 *may only publish the redacted copy of the application*
2 *unless the redacted copy of the application is not re-*
3 *ceived within 16 months after the earliest effective fil-*
4 *ing date for which a benefit is sought under this title.*
5 *The provisions of section 154(d) shall not apply to a*
6 *claim if the description of the invention published in*
7 *the redacted application filed under this clause with*
8 *respect to the claim does not enable a person skilled*
9 *in the art to make and use the subject matter of the*
10 *claim.*

11 *“(c) PROTEST AND PRE-ISSUANCE OPPOSITION.—The*
12 *Director shall establish appropriate procedures to ensure*
13 *that no protest or other form of pre-issuance opposition to*
14 *the grant of a patent on an application may be initiated*
15 *after publication of the application without the express*
16 *written consent of the applicant.”.*

17 *(b) STUDY BY GAO.—*

18 *(1) IN GENERAL.—The Comptroller General of*
19 *the United States shall conduct a study of applicants*
20 *for patents who file only in the United States during*
21 *the 3-year period beginning on the effective date of*
22 *this title.*

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

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

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

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

9 (D) examine the manner of entity seeking
10 an application and any correlation that may
11 exist between such manner and publication of
12 patent applications.

13 (3) *REPORT TO JUDICIARY COMMITTEES.*—The
14 Comptroller General shall submit to the Committees
15 on the Judiciary of the House of Representatives and
16 the Senate the results of the study conducted under
17 this subsection.

18 **SEC. 403. TIME FOR CLAIMING BENEFIT OF EARLIER FILING**

19 **DATE.**

20 (a) *IN A FOREIGN COUNTRY.*—Section 119(b) of title
21 35, United States Code, is amended to read as follows:

22 “(b)(1) No application for patent shall be entitled to
23 this right of priority unless a claim, identifying the foreign
24 application by specifying its application number, country,
25 and the day, month, and year of its filing, is filed in the

1 *Patent and Trademark Office at such time during the pend-*
2 *ency of the application as required by the Director.*

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

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

16 **(b) IN THE UNITED STATES.**—Section 120 of title 35,
17 *United States Code, is amended by adding at the end the*
18 *following: “The Director may determine the time period*
19 *during the pendency of the application within which an*
20 *amendment containing the specific reference to the earlier*
21 *filed application is submitted. The Director may consider*
22 *the failure to submit such an amendment within that time*
23 *period as a waiver of any benefit under this section. The*
24 *Director may establish procedures, including the payment*

1 of a surcharge, to accept unintentionally late submissions
2 of amendments under this section.”.

3 **SEC. 404. PROVISIONAL RIGHTS.**

4 Section 154 of title 35, United States Code, is
5 amended—

6 (1) in the section caption by inserting “; **provi-**
7 **sional rights**” after “**patent**”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(d) **PROVISIONAL RIGHTS.**—

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

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

1 “(i) if the invention as claimed in the pub-
2 lished patent application is a process, uses, offers
3 for sale, or sells in the United States or imports
4 into the United States products made by that
5 process as claimed in the published patent appli-
6 cation; and

7 “(B) had actual notice of the published pat-
8 ent application, and in a case in which the right
9 arising under this paragraph is based upon an
10 international application designating the United
11 States that is published in a language other than
12 English, a translation of the international appli-
13 cation into the English language.

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

20 “(3) *TIME LIMITATION ON OBTAINING A REASON-*
21 *ABLE ROYALTY.*—The right under paragraph (1) to
22 obtain a reasonable royalty shall be available only in
23 an action brought not later than 6 years after the
24 patent is issued. The right under paragraph (1) to ob-

1 *tain a reasonable royalty shall not be affected by the*
2 *duration of the period described in paragraph (1).*

3 *“(4) REQUIREMENTS FOR INTERNATIONAL APPLI-*
4 *CATIONS.—*

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

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

22 *“(5) ISSUANCE OF PATENTS ON INDIVIDUAL*
23 *CLAIMS.—If the Director in a notification to the ap-*
24 *plicant under section 132 indicates that one or more*
25 *claims of a published application are allowable, the*

1 “(B) a patent granted on an application for pat-
2 ent by another filed in the United States before the
3 invention by the applicant for patent, except that a
4 patent shall not be deemed filed in the United States
5 for the purposes of this subsection based on the filing
6 of an international application filed under the treaty
7 defined in section 351(a), or”.

8 **SEC. 406. COST RECOVERY FOR PUBLICATION.**

9 *The Director of the United States Patent and Trade-*
10 *mark Office shall recover the cost of early publication re-*
11 *quired by the amendment made by section 402 by charging*
12 *a separate publication fee after notice of allowance is given*
13 *pursuant to section 151 of title 35, United States Code.*

14 **SEC. 407. CONFORMING AMENDMENTS.**

15 *The following provisions of title 35, United States*
16 *Code, are amended:*

17 (1) *Section 11 is amended in paragraph 1 of*
18 *subsection (a) by inserting “and published applica-*
19 *tions for patents” after “Patents”.*

20 (2) *Section 12 is amended—*

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

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

25 (3) *Section 13 is amended—*

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

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

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

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

12 (6) Section 181 is amended—

13 (A) in the first undesignated paragraph—

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

16 (ii) by inserting “the publication of the
17 application or” after “withhold”;

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

21 (C) in the third undesignated paragraph—

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

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

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

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

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

14 (9) Section 374 is amended to read as follows:

15 **“§374. Publication of international application: effect**

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

22 **SEC. 408. EFFECTIVE DATE.**

23 This title and the amendments made by this title, shall
24 take effect on the date that is 1 year after the date of the
25 enactment of this Act and shall apply to all applications

1 *filed under section 111 of title 35, United States Code, on*
2 *or after that date, and all applications complying with sec-*
3 *tion 371 of title 35, United States Code, that resulted from*
4 *international applications filed on or after that date. The*
5 *amendments made by sections 404 and 405 shall apply to*
6 *any such application voluntarily published by the appli-*
7 *cant under procedures established under this title that is*
8 *pending on the date that is 1 year after the date of enact-*
9 *ment of this Act. The amendment made by section 404 shall*
10 *also apply to international applications designating the*
11 *United States that are filed on or after the date that is*
12 *1 year after the date of the enactment of this Act.*

13 ***TITLE V—PATENT LITIGATION***
14 ***REDUCTION ACT***

15 ***SEC. 501. SHORT TITLE.***

16 *This title may be cited as the “Patent Litigation Re-*
17 *duction Act”.*

18 ***SEC. 502. DEFINITIONS.***

19 *Section 100 of title 35, United States Code, is amended*
20 *by adding at the end the following new subsection:*

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

1 **SEC. 503. REEXAMINATION PROCEDURES.**

2 (a) *CITATION OF PRIOR ART.*—Section 301 of title 35,
3 *United States Code*, is amended to read as follows:

4 **“§ 301. Citation of prior art**

5 “Any person at any time may cite to the Office in
6 writing prior art consisting of patents or printed publica-
7 tions which that person believes to have a bearing on the
8 patentability of any claim of a particular patent. If the
9 person explains in writing the pertinency and manner of
10 applying such prior art to at least one claim of the patent,
11 the citation of such prior art and the explanation thereof
12 will become a part of the official file of the patent.”.

13 (b) *REQUEST FOR REEXAMINATION.*—Section 302 of
14 *title 35, United States Code*, is amended to read as follows:

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

16 “(a) *IN GENERAL.*—Any person at any time may file
17 a request for reexamination by the Office of a patent on
18 the basis of any prior art cited under the provisions of sec-
19 tion 301.

20 “(b) *REQUIREMENTS.*—The request shall—

21 “(1) be in writing, include the identity of the
22 real party in interest, and be accompanied by pay-
23 ment of a reexamination fee established by the Direc-
24 tor under section 41; and

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

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

7 (c) DETERMINATION OF ISSUE BY DIRECTOR.—Sec-
8 tion 303 of title 35, United States Code, is amended to read
9 as follows:

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

11 “(a) REEXAMINATION.—Not later than 3 months after
12 the filing of a request for reexamination under section 302,
13 the Director shall determine whether a substantial new
14 question of patentability affecting any claim of the patent
15 concerned is raised by the request, with or without consider-
16 ation of other patents or printed publications. On the Direc-
17 tor’s initiative, and any time, the Director may determine
18 whether a substantial new question of patentability is
19 raised by patents and publications.

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

1 “(c) *FINAL DECISION.*—A determination by the Direc-
2 tor pursuant to subsection (a) shall be final and nonappeal-
3 able. Upon a determination that no substantial new ques-
4 tion of patentability has been raised, the Director may re-
5 fund a portion of the reexamination fee required under sec-
6 tion 302.”.

7 (d) *REEXAMINATION ORDER BY DIRECTOR.*—Section
8 304 of title 35, United States Code, is amended to read as
9 follows:

10 **“§ 304. Reexamination order by Director**

11 “If, in a determination made under section 303(a), the
12 Director finds that a substantial new question of patent-
13 ability affecting a claim of a patent is raised, the deter-
14 mination shall include an order for reexamination of the
15 patent for resolution of the question. The order may be ac-
16 companied by the initial action of the Patent and Trade-
17 mark Office on the merits of the reexamination conducted
18 in accordance with section 305.”.

19 (e) *CONDUCT OF REEXAMINATION PROCEEDINGS.*—
20 Section 305 of title 35, United States Code, is amended to
21 read as follows:

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

23 “(a) *IN GENERAL.*—Subject to subsection (b), reexam-
24 ination shall be conducted according to the procedures es-
25 tablished for initial examination under the provisions of

1 *sections 132 and 133, except as provided for under this sec-*
2 *tion. In any reexamination proceeding under this chapter,*
3 *the patent owner shall be permitted to propose any amend-*
4 *ment to the patent and a new claim or claims, except that*
5 *no proposed amended or new claim enlarging the scope of*
6 *the claims of the patent shall be permitted.*

7 “(b) *RESPONSE.—(1) This subsection shall apply to*
8 *any reexamination proceeding in which the order for reex-*
9 *amination is based upon a request by a third-party re-*
10 *quester.*

11 “(2) *With the exception of the reexamination request,*
12 *any document filed by either the patent owner or the third-*
13 *party requester shall be served on the other party. In addi-*
14 *tion, the third-party requester shall receive a copy of any*
15 *communication sent by the Office to the patent owner con-*
16 *cerning the patent subject to the reexamination proceeding.*

17 “(3) *Each time that the patent owner files a response*
18 *to an action on the merits from the Patent and Trademark*
19 *Office, the third-party requester shall have one opportunity*
20 *to file written comments addressing issues raised by the ac-*
21 *tion of the Office or the patent owner’s response thereto, if*
22 *those written comments are received by the Office within*
23 *30 days after the date of service of the patent owner’s re-*
24 *sponse.*

1 “(c) *SPECIAL DISPATCH.*—Unless otherwise provided
2 by the Director for good cause, all reexamination pro-
3 ceedings under this section, including any appeal to the
4 Board of Patent Appeals and Interferences, shall be con-
5 ducted with special dispatch within the Office.”.

6 (f) *APPEAL.*—Section 306 of title 35, United States
7 Code, is amended to read as follows:

8 “**§ 306. Appeal**

9 “(a) *PATENT OWNER.*—The patent owner involved in
10 a reexamination proceeding under this chapter—

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

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

18 “(b) *THIRD-PARTY REQUESTER.*—A third-party re-
19 quester may—

20 “(1) appeal under the provisions of section 134,
21 and may appeal under the provisions of sections 141
22 through 144, with respect to any final decision favor-
23 able to the patentability of any original or proposed
24 amended or new claim of the patent; or

1 “(2) be a party to any appeal taken by the pat-
2 ent owner, subject to subsection (c).

3 “(c) *CIVIL ACTION*.—A third-party requester whose re-
4 quest for a reexamination results in an order under section
5 304 is estopped from asserting at a later time, in any civil
6 action arising in whole or in part under section 1338 of
7 title 28, the invalidity of any claim finally determined to
8 be valid and patentable on any ground which the third-
9 party requester raised or could have raised during the reex-
10 amination proceedings. This subsection does not prevent the
11 assertion of invalidity based on newly discovered prior art
12 unavailable to the third-party requester and the Patent and
13 Trademark Office at the time of the reexamination pro-
14 ceedings.”.

15 (g) *REEXAMINATION PROHIBITED; STAY OF LITIGA-*
16 *TION*.—

17 (1) *IN GENERAL*.—Chapter 30 of title 35, United
18 States Code, is amended by adding at the end the fol-
19 lowing new sections:

20 “**§ 308. Reexamination prohibited**

21 “(a) *ORDER FOR REEXAMINATION*.—Notwithstanding
22 any provision of this chapter, once an order for reexamina-
23 tion of a patent has been issued under section 304, neither
24 the patent owner nor the third-party requester, if any, nor
25 privies of either, may file a subsequent request for reexam-

1 *ination of the patent until a reexamination certificate is*
2 *issued and published under section 307, unless authorized*
3 *by the Director.*

4 “(b) *FINAL DECISION.*—Once a final decision has been
5 *entered against a party in a civil action arising in whole*
6 *or in part under section 1338 of title 28 that the party*
7 *has not sustained its burden of proving the invalidity of*
8 *any patent claim in suit or if a final decision in a reexam-*
9 *ination proceeding instituted by a third-party requester is*
10 *favorable to the patentability of any original or proposed*
11 *amended or new claim of the patent then neither that party*
12 *nor its privies may thereafter request reexamination of any*
13 *such patent claim on the basis of issues which that party*
14 *or its privies raised or could have raised in such civil action*
15 *or reexamination proceeding, and a reexamination re-*
16 *quested by that party or its privies on the basis of such*
17 *issues may not thereafter be maintained by the Office, not-*
18 *withstanding any other provision of this chapter. This sub-*
19 *section does not prevent the assertion of invalidity based*
20 *on newly discovered prior art unavailable to the third-party*
21 *requester and the Patent and Trademark Office at the time*
22 *of the reexamination proceedings.*

23 **“§ 309. Stay of litigation**

24 “Once an order for reexamination of a patent has been
25 *issued under section 304, the patent owner may obtain a*

1 *stay of any pending litigation which involves an issue of*
 2 *patentability of any claims of the patent which are the sub-*
 3 *ject of the reexamination order, unless the court before*
 4 *which such litigation is pending determines that a stay*
 5 *would not serve the interests of justice.”.*

6 (2) *TECHNICAL AND CONFORMING AMEND-*
 7 *MENT.—The table of sections for chapter 30 of title*
 8 *35, United States Code, is amended to read as follows:*
 9 **“CHAPTER 30—PRIOR ART CITATIONS TO**
 10 **OFFICE AND REEXAMINATION OF PAT-**
 11 **ENTS**

“Sec.

“301. Citation of prior art.

“302. Request for reexamination.

“303. Determination of issue by Director.

“304. Reexamination order by Director.

“305. Conduct of reexamination proceedings.

“306. Appeal.

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

“308. Reexamination prohibited.

“309. Stay of litigation.”.

12 **SEC. 504. CONFORMING AMENDMENTS.**

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

16 “(7) *On filing each petition for the revival of an*
 17 *unintentionally abandoned application for a patent,*
 18 *for the unintentionally delayed payment of the fee for*
 19 *issuing each patent, or for an unintentionally delayed*
 20 *response by the patent owner in a reexamination pro-*

1 (c) *APPEAL TO COURT OF APPEALS FOR THE FEDERAL*
2 *CIRCUIT.*—Section 141 of title 35, United States Code, is
3 amended by adding the following after the second sentence:
4 “A patent owner or third-party requester in a reexamina-
5 tion proceeding dissatisfied with the final decision in an
6 appeal to the Board of Patent Appeals and Interferences
7 under section 134 may appeal the decision only to the
8 United States Court of Appeals for the Federal Circuit.”.

9 (d) *PROCEEDINGS ON APPEAL.*—Section 143 of title
10 35, United States Code, is amended by amending the third
11 sentence to read as follows: “In *ex parte* and reexamination
12 cases, the Director shall submit to the court in writing the
13 grounds for the decision of the Patent and Trademark Of-
14 fice, addressing all the issues involved in the appeal.”.

15 (e) *CIVIL ACTION TO OBTAIN PATENT.*—Section 145
16 of title 35, United States Code, is amended in the first sen-
17 tence by inserting “(a)” after “section 134”.

18 **SEC. 505. REPORT TO CONGRESS.**

19 Not later than 5 years after the effective date of this
20 title, the Director of the United States Patent and Trade-
21 mark Office shall submit to the Congress a report evaluating
22 whether the reexamination proceedings established under
23 the amendments made by this title are inequitable to any
24 of the parties in interest and, if so, the report shall contain

1 *recommendations for changes to the amendments made by*
2 *this title to remove such inequity.*

3 **SEC. 506. ESTOPPEL EFFECT OF REEXAMINATION.**

4 *Any party who requests a reexamination under section*
5 *302 of title 35, United States Code, is estopped from chal-*
6 *lenging at a later time, in any civil action, any fact deter-*
7 *mined during the process of such reexamination. If this sec-*
8 *tion is held to be unenforceable, the enforceability of the rest*
9 *of this title or of this Act shall not be denied as a result.*

10 **SEC. 507. EFFECTIVE DATE.**

11 *This title and the amendments made by this title shall*
12 *take effect on the date that is 1 year after the date of the*
13 *enactment of this Act and shall apply to all reexamination*
14 *requests filed on or after such date.*

15 **TITLE VI—PATENT AND**
16 **TRADEMARK OFFICE**

17 **SEC. 601. SHORT TITLE.**

18 *This title may be cited as the “Patent and Trademark*
19 *Office Efficiency Act”.*

20 **Subtitle A—United States Patent**
21 **and Trademark Office**

22 **SEC. 611. ESTABLISHMENT OF PATENT AND TRADEMARK**
23 **OFFICE.**

24 *Section 1 of title 35, United States Code, is amended*
25 *to read as follows:*

1 **“§ 1. Establishment**

2 “(a) *ESTABLISHMENT.*—*The United States Patent and*
3 *Trademark Office is established as an agency of the United*
4 *States, within the Department of Commerce. In carrying*
5 *out its functions, the United States Patent and Trademark*
6 *Office shall be subject to the policy direction of the Secretary*
7 *of Commerce, but otherwise shall retain responsibility for*
8 *decisions regarding the management and administration of*
9 *its operations and shall exercise independent control of its*
10 *budget allocations and expenditures, personnel decisions*
11 *and processes, procurements, and other administrative and*
12 *management functions in accordance with this title and ap-*
13 *plicable provisions of law. Those operations designed to*
14 *grant and issue patents and those operations which are de-*
15 *signed to facilitate the registration of trademarks shall be*
16 *treated as separate operating units within the Office.*

17 “(b) *OFFICES.*—*The United States Patent and Trade-*
18 *mark Office shall maintain its principal office in the metro-*
19 *politan Washington, DC, area, for the service of process and*
20 *papers and for the purpose of carrying out its functions.*
21 *The United States Patent and Trademark Office shall be*
22 *deemed, for purposes of venue in civil actions, to be a resi-*
23 *dent of the district in which its principal office is located,*
24 *except where jurisdiction is otherwise provided by law. The*
25 *United States Patent and Trademark Office may establish*
26 *satellite offices in such other places in the United States*

1 *as it considers necessary and appropriate in the conduct*
2 *of its business.*

3 “(c) *REFERENCE.*—*For purposes of this title, the*
4 *United States Patent and Trademark Office shall also be*
5 *referred to as the ‘Office’ and the ‘Patent and Trademark*
6 *Office’.*”.

7 **SEC. 612. POWERS AND DUTIES.**

8 *Section 2 of title 35, United States Code, is amended*
9 *to read as follows:*

10 **“§2. Powers and duties**

11 “(a) *IN GENERAL.*—*The United States Patent and*
12 *Trademark Office, subject to the policy direction of the Sec-*
13 *retary of Commerce—*

14 “(1) *shall be responsible for the granting and*
15 *issuing of patents and the registration of trademarks;*
16 *and*

17 “(2) *shall be responsible for disseminating to the*
18 *public information with respect to patents and trade-*
19 *marks.*

20 “(b) *SPECIFIC POWERS.*—*The Office—*

21 “(1) *shall adopt and use a seal of the Office,*
22 *which shall be judicially noticed and with which let-*
23 *ters patent, certificates of trademark registrations,*
24 *and papers issued by the Office shall be authenticated;*

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

3 “(A) shall govern the conduct of proceedings
4 in the Office;

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

8 “(C) shall facilitate and expedite the proc-
9 essing of patent applications, particularly those
10 which can be filed, stored, processed, searched,
11 and retrieved electronically, subject to the provi-
12 sions of section 122 relating to the confidential
13 status of applications;

14 “(D) may govern the recognition and con-
15 duct of agents, attorneys, or other persons rep-
16 resenting applicants or other parties before the
17 Office, and may require them, before being recog-
18 nized as representatives of applicants or other
19 persons, to show that they are of good moral
20 character and reputation and are possessed of
21 the necessary qualifications to render to appli-
22 cants or other persons valuable service, advice,
23 and assistance in the presentation or prosecution
24 of their applications or other business before the
25 Office;

1 “(E) shall recognize the public interest in
2 continuing to safeguard broad access to the
3 United States patent system through the reduced
4 fee structure for small entities under section
5 41(b)(1) of this title; and

6 “(F) provide for the development of a per-
7 formance-based process that includes quan-
8 titative and qualitative measures and standards
9 for evaluating cost-effectiveness and is consistent
10 with the principles of impartiality and competi-
11 tiveness;

12 “(3) may acquire, construct, purchase, lease,
13 hold, manage, operate, improve, alter, and renovate
14 any real, personal, or mixed property, or any interest
15 therein, as it considers necessary to carry out its
16 functions;

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

1 “(B) may enter into and perform such purchases
2 and contracts for printing services, including the
3 process of composition, platemaking, presswork, silk
4 screen processes, binding, microform, and the products
5 of such processes, as it considers necessary to carry
6 out the functions of the Office, without regard to sec-
7 tions 501 through 517 and 1101 through 1123 of title
8 44;

9 “(5) may use, with their consent, services, equip-
10 ment, personnel, and facilities of other departments,
11 agencies, and instrumentalities of the Federal Govern-
12 ment, on a reimbursable basis, and cooperate with
13 such other departments, agencies, and instrumentality-
14 ties in the establishment and use of services, equip-
15 ment, and facilities of the Office;

16 “(6) may, when the Director determines that it
17 is practicable, efficient, and cost-effective to do so, use,
18 with the consent of the United States and the agency,
19 government, or international organization concerned,
20 the services, records, facilities, or personnel of any
21 State or local government agency or instrumentality
22 or foreign government or international organization
23 to perform functions on its behalf;

24 “(7) may retain and use all of its revenues and
25 receipts, including revenues from the sale, lease, or

1 *disposal of any real, personal, or mixed property, or*
2 *any interest therein, of the Office;*

3 *“(8) in coordination with the Under Secretary of*
4 *Commerce for International Trade, shall promote ex-*
5 *ports of goods and services of the United States indus-*
6 *tries that rely on intellectual property;*

7 *“(9) shall advise the President, through the Sec-*
8 *retary of Commerce, on national and certain inter-*
9 *national intellectual property policy issues;*

10 *“(10) shall advise Federal departments and*
11 *agencies on matters of intellectual property policy in*
12 *the United States and intellectual property protection*
13 *in other countries;*

14 *“(11) shall provide guidance, as appropriate,*
15 *with respect to proposals by agencies to assist foreign*
16 *governments and international intergovernmental or-*
17 *ganizations on matters of intellectual property protec-*
18 *tion;*

19 *“(12) may conduct programs, studies, or ex-*
20 *changes of items or services regarding domestic and*
21 *international intellectual property law and the effec-*
22 *tiveness of intellectual property protection domesti-*
23 *cally and throughout the world;*

24 *“(13)(A) shall advise the Secretary of Commerce*
25 *on programs and studies relating to intellectual prop-*

1 *erty policy that are conducted, or authorized to be*
2 *conducted, cooperatively with foreign intellectual*
3 *property offices and international intergovernmental*
4 *organizations; and*

5 *“(B) may conduct programs and studies de-*
6 *scribed in subparagraph (A); and*

7 *“(14)(A) in coordination with the Department of*
8 *State, may conduct programs and studies coopera-*
9 *tively with foreign intellectual property offices and*
10 *international intergovernmental organizations; and*

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

19 *“(c) CLARIFICATION OF SPECIFIC POWERS.—(1) The*
20 *special payments under paragraph (14)(B) shall be in ad-*
21 *dition to any other payments or contributions to inter-*
22 *national organizations described in paragraph (14)(B) and*
23 *shall not be subject to any limitations imposed by law on*
24 *the amounts of such other payments or contributions by the*
25 *United States Government.*

1 “(2) *Nothing in subsection (b) shall derogate from the*
2 *duties of the Secretary of State or from the duties of the*
3 *United States Trade Representative as set forth in section*
4 *141 of the Trade Act of 1974 (19 U.S.C. 2171).*

5 “(3) *Nothing in subsection (b) shall derogate from the*
6 *duties and functions of the Register of Copyrights or other-*
7 *wise alter current authorities relating to copyright matters.*

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

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

17 **SEC. 613. ORGANIZATION AND MANAGEMENT.**

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

20 **“§ 3. Officers and employees**

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

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

1 *Patent and Trademark Office (in this title referred to*
2 *as the ‘Director’), who shall be a citizen of the United*
3 *States and who shall be appointed by the President,*
4 *by and with the advice and consent of the Senate. The*
5 *Director shall be a person who has a professional*
6 *background and experience in patent or trademark*
7 *law. The Director shall be responsible for providing*
8 *policy direction and management supervision for the*
9 *Office.*

10 “(2) *DUTIES.—*

11 “(A) *IN GENERAL.—The Director shall be*
12 *responsible for the supervision and direction of*
13 *the Office, including the issuance of patents and*
14 *the registration of trademarks, and shall perform*
15 *these duties in a fair, impartial, and equitable*
16 *manner.*

17 “(B) *CONSULTING WITH THE PUBLIC ADVI-*
18 *SORY COMMITTEES.—The Director shall consult*
19 *with the Patent Public Advisory Committee es-*
20 *tablished in section 5 on a regular basis on mat-*
21 *ters relating to the patent operations of the Of-*
22 *fice, shall consult with the Trademark Public*
23 *Advisory Committee established in section 5 on*
24 *a regular basis on matters relating to the trade-*
25 *mark operations of the Office, and shall consult*

1 *with the respective Public Advisory Committee*
2 *before submitting budgetary proposals to the Of-*
3 *fice of Management and Budget or changing or*
4 *proposing to change patent or trademark user*
5 *fees or patent or trademark regulations, as the*
6 *case may be.*

7 “(C) *SECURITY CLEARANCES.—The Direc-*
8 *tor, in consultation with the Director of the Of-*
9 *fice of Personnel Management, shall maintain a*
10 *program for identifying national security posi-*
11 *tions and providing for appropriate security*
12 *clearances.*

13 “(3) *OATH.—The Director shall, before taking of-*
14 *fice, take an oath to discharge faithfully the duties of*
15 *the Office.*

16 “(4) *COMPENSATION.—In addition to the Direc-*
17 *tor’s pay as prescribed in section 5314 of title 5, the*
18 *Director may receive a bonus in an amount up to,*
19 *but not in excess of, 50 percent of the Director’s an-*
20 *nuual rate of pay, based upon an evaluation by the*
21 *Secretary of Commerce of the Director’s performance*
22 *as defined in an annual performance agreement be-*
23 *tween the Director and the Secretary. The annual*
24 *performance agreement shall incorporate measurable*
25 *organization and individual goals in key operational*

1 *areas as delineated in an annual performance plan*
2 *agreed to by the Director and the Secretary and made*
3 *public in the annual report of the Director. Payment*
4 *of a bonus under this paragraph may be made to the*
5 *Director only to the extent that such payment does*
6 *not cause the Director's total aggregate compensation*
7 *in a calendar year to equal or exceed the amount of*
8 *the salary of the President under section 102 of title*
9 *3.*

10 *“(5) REMOVAL.—The Director may be removed*
11 *from office by the President. The President shall pro-*
12 *vide notification of any such removal to both Houses*
13 *of Congress.*

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

15 *“(1) DEPUTY UNDER SECRETARY AND DEPUTY*
16 *DIRECTOR.—The Director shall appoint a Deputy*
17 *Under Secretary of Commerce for Intellectual Prop-*
18 *erty and Deputy Director of the United States Patent*
19 *and Trademark Office who shall be vested with the*
20 *authority to act in the capacity of the Director in the*
21 *event of the absence or incapacity of the Director. The*
22 *Deputy Under Secretary and Deputy Director shall*
23 *be a citizen of the United States who has a profes-*
24 *sional background and experience in patent or trade-*
25 *mark law.*

1 “(2) COMMISSIONERS.—

2 “(A) APPOINTMENT AND DUTIES.—*The Sec-*
3 *retary of Commerce shall appoint a Commis-*
4 *sioner for Patents and a Commissioner for*
5 *Trademarks. The Commissioner for Patents shall*
6 *be a citizen of the United States with dem-*
7 *onstrated management ability and professional*
8 *background and experience in patent law and*
9 *serve for a term of 5 years. The Commissioner*
10 *for Trademarks shall be a citizen of the United*
11 *States with demonstrated management ability*
12 *and professional background and experience in*
13 *trademark law and serve for a term of 5 years.*
14 *The Commissioner for Patents and the Commis-*
15 *sioner for Trademarks shall serve as the chief op-*
16 *erating officers for the operations of the Office*
17 *relating to patents and trademarks, respectively,*
18 *and shall be responsible for the management and*
19 *direction of all aspects of the activities of the Of-*
20 *fice that affect the administration of patent and*
21 *trademark operations, respectively. The Sec-*
22 *retary may reappoint a Commissioner to subse-*
23 *quent terms of 5 years as long as the perform-*
24 *ance of the Commissioner as set forth in the per-*

1 *formance agreement in subparagraph (B) is sat-*
2 *isfactory.*

3 “(B) *SALARY AND PERFORMANCE AGREE-*
4 *MENT.—The Commissioners shall be paid an an-*
5 *annual rate of basic pay not to exceed the max-*
6 *imum rate of basic pay for the Senior Executive*
7 *Service established under section 5382 of title 5,*
8 *United States Code, including any applicable lo-*
9 *cality-based comparability payment that may be*
10 *authorized under section 5304(h)(2)(C) of title 5.*
11 *The compensation of the Commissioners shall be*
12 *considered for purposes of section 207(c)(2)(A) of*
13 *title 18, United States Code, to be the equivalent*
14 *of that described under clause (ii) of section*
15 *207(c)(2)(A) of title 18. In addition, the Com-*
16 *missioners may receive a bonus in an amount of*
17 *up to, but not in excess of, 50 percent of the*
18 *Commissioner’s annual rate of basic pay, based*
19 *upon an evaluation by the Secretary of Com-*
20 *merce, acting through the Director, of the Com-*
21 *missioners’ performance as defined in an annual*
22 *performance agreement between the Commis-*
23 *sioners and the Secretary. The annual perform-*
24 *ance agreements shall incorporate measurable or-*
25 *ganization and individual goals in key oper-*

1 *ational areas as delineated in an annual per-*
2 *formance plan agreed to by the Commissioners*
3 *and the Secretary. Payment of a bonus under*
4 *this subparagraph may be made to the Commis-*
5 *sioners only to the extent that such payment does*
6 *not cause the Commissioners' total aggregate*
7 *compensation in a calendar year to equal or ex-*
8 *ceed the amount of the salary of the President*
9 *under section 102 of title 3.*

10 “(C) *REMOVAL.—The Commissioners may*
11 *be removed from office by the Secretary for mis-*
12 *conduct or nonsatisfactory performance under*
13 *the performance agreement described in subpara-*
14 *graph (B). The Secretary shall provide notifica-*
15 *tion of any such removal to both Houses of Con-*
16 *gress.*

17 “(3) *OTHER OFFICERS AND EMPLOYEES.—The*
18 *Director shall—*

19 “(A) *appoint such officers, employees (in-*
20 *cluding attorneys), and agents of the Office as*
21 *the Director considers necessary to carry out the*
22 *functions of the Office; and*

23 “(B) *define the title, authority, and duties*
24 *of such officers and employees and delegate to*

1 *them such of the powers vested in the Office as*
2 *the Director may determine.*

3 *The Office shall not be subject to any administra-*
4 *tively or statutorily imposed limitation on positions*
5 *or personnel, and no positions or personnel of the Of-*
6 *ice shall be taken into account for purposes of apply-*
7 *ing any such limitation.*

8 “(4) *TRAINING OF EXAMINERS.—The Patent and*
9 *Trademark Office shall develop an incentive program*
10 *to retain as employees patent and trademark exam-*
11 *iners of the primary examiner grade or higher who*
12 *are eligible for retirement, for the sole purpose of*
13 *training patent and trademark examiners.*

14 “(c) *CONTINUED APPLICABILITY OF TITLE 5.—Officers*
15 *and employees of the Office shall be subject to the provisions*
16 *of title 5 relating to Federal employees.*

17 “(d) *ADOPTION OF EXISTING LABOR AGREEMENTS.—*
18 *The Office shall adopt all labor agreements which are in*
19 *effect, as of the day before the effective date of the Patent*
20 *and Trademark Office Efficiency Act, with respect to such*
21 *Office (as then in effect).*

22 “(e) *CARRYOVER OF PERSONNEL.—*

23 “(1) *FROM PTO.—Effective as of the effective*
24 *date of the Patent and Trademark Office Efficiency*
25 *Act, all officers and employees of the Patent and*

1 *Trademark Office on the day before such effective date*
2 *shall become officers and employees of the Office,*
3 *without a break in service.*

4 “(2) *OTHER PERSONNEL.*—*Any individual who,*
5 *on the day before the effective date of the Patent and*
6 *Trademark Office Efficiency Act, is an officer or em-*
7 *ployee of the Department of Commerce (other than an*
8 *officer or employee under paragraph (1)) shall be*
9 *transferred to the Office, as necessary to carry out the*
10 *purposes of this Act, if—*

11 “(A) *such individual serves in a position*
12 *for which a major function is the performance of*
13 *work reimbursed by the Patent and Trademark*
14 *Office, as determined by the Secretary of Com-*
15 *merce;*

16 “(B) *such individual serves in a position*
17 *that performed work in support of the Patent*
18 *and Trademark Office during at least half of the*
19 *incumbent’s work time, as determined by the*
20 *Secretary of Commerce; or*

21 “(C) *such transfer would be in the interest*
22 *of the Office, as determined by the Secretary of*
23 *Commerce in consultation with the Director.*

24 *Any transfer under this paragraph shall be effective*
25 *as of the same effective date as referred to in para-*

1 *graph (1), and shall be made without a break in serv-*
2 *ice.*

3 “(3) *ACCUMULATED LEAVE.*—*The amount of sick*
4 *and annual leave and compensatory time accumu-*
5 *lated under title 5 before the effective date described*
6 *in paragraph (1), by those becoming officers or em-*
7 *ployees of the Office pursuant to this subsection, are*
8 *obligations of the Office.*

9 “(f) *TRANSITION PROVISIONS.*—

10 “(1) *INTERIM APPOINTMENT OF DIRECTOR.*—*On*
11 *or after the effective date of the Patent and Trade-*
12 *mark Office Efficiency Act, the President shall ap-*
13 *point an individual to serve as the Director until the*
14 *date on which a Director qualifies under subsection*
15 *(a). The President shall not make more than one such*
16 *appointment under this subsection.*

17 “(2) *CONTINUATION IN OFFICE OF CERTAIN OFFI-*
18 *CERS.*—(A) *The individual serving as the Assistant*
19 *Commissioner for Patents on the day before the effec-*
20 *tive date of the Patent and Trademark Office Effi-*
21 *ciency Act may serve as the Commissioner for Patents*
22 *until the date on which a Commissioner for Patents*
23 *is appointed under subsection (b).*

24 “(B) *The individual serving as the Assistant*
25 *Commissioner for Trademarks on the day before the*

1 *effective date of the Patent and Trademark Office Ef-*
2 *ficiency Act may serve as the Commissioner for*
3 *Trademarks until the date on which a Commissioner*
4 *for Trademarks is appointed under subsection (b).”.*

5 **SEC. 614. PUBLIC ADVISORY COMMITTEES.**

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

8 **“§5. Patent and Trademark Office Public Advisory**
9 **Committees**

10 *“(a) ESTABLISHMENT OF PUBLIC ADVISORY COMMIT-*
11 *TEES.—*

12 *“(1) APPOINTMENT.—The United States Patent*
13 *and Trademark Office shall have a Patent Public Ad-*
14 *visory Committee and a Trademark Public Advisory*
15 *Committee, each of which shall have 9 voting members*
16 *who shall be appointed by the Secretary of Commerce*
17 *and serve at the pleasure of the Secretary of Com-*
18 *merce. Members of each Public Advisory Committee*
19 *shall be appointed for a term of 3 years, except that*
20 *of the members first appointed, 3 shall be appointed*
21 *for a term of 1 year, and 3 shall be appointed for a*
22 *term of 2 years. In making appointments to each*
23 *Committee, the Secretary of Commerce shall consider*
24 *the risk of loss of competitive advantage in inter-*

1 *national commerce or other harm to United States*
2 *companies as a result of such appointments.*

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

6 “(3) *TIMING OF APPOINTMENTS.*—*Initial ap-*
7 *pointments to each Advisory Committee shall be made*
8 *within 3 months after the effective date of the Patent*
9 *and Trademark Office Efficiency Act. Vacancies shall*
10 *be filled within 3 months after they occur.*

11 “(b) *BASIS FOR APPOINTMENTS.*—*Members of each*
12 *Advisory Committee—*

13 “(1) *shall be citizens of the United States who*
14 *shall be chosen so as to represent the interests of di-*
15 *verse users of the Patent and Trademark Office with*
16 *respect to patents, in the case of the Patent Public*
17 *Advisory Committee, and with respect to trademarks,*
18 *in the case of the Trademark Public Advisory Com-*
19 *mittee;*

20 “(2) *shall include members who represent small*
21 *and large entity applicants located in the United*
22 *States in proportion to the number of applications*
23 *filed by such members, but in no case shall members*
24 *who represent small entity patent applicants, includ-*
25 *ing small business concerns, independent inventors,*

1 *and nonprofit organizations, constitute less than 25*
2 *percent of the members of the Patent Public Advisory*
3 *Committee; and*

4 “(3) shall include individuals with substantial
5 *background and achievement in finance, management,*
6 *labor relations, science, technology, and office automa-*
7 *tion.*

8 *In addition to the voting members, each Advisory Com-*
9 *mittee shall include a representative of each labor organiza-*
10 *tion recognized by the Patent and Trademark Office. Such*
11 *representatives shall be nonvoting members of the Advisory*
12 *Committee to which they are appointed.*

13 “(c) *MEETINGS.*—*Each Advisory Committee shall meet*
14 *at the call of the chair to consider an agenda set by the*
15 *Chair.*

16 “(d) *DUTIES.*—*Each Advisory Committee shall—*

17 “(1) *review the policies, goals, performance,*
18 *budget, and user fees of the Patent and Trademark*
19 *Office with respect to patents, in the case of the Pat-*
20 *ent Public Advisory Committee, and with respect to*
21 *Trademarks, in the case of the Trademark Public Ad-*
22 *visory Committee, and advise the Director on these*
23 *matters;*

24 “(2) *within 60 days after the end of each fiscal*
25 *year—*

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

3 “(B) transmit the report to the Secretary of
4 Commerce, the President, and the Committees on
5 the Judiciary of the Senate and the House of
6 Representatives; and

7 “(C) publish the report in the Official Ga-
8 zette of the Patent and Trademark Office.

9 “(e) COMPENSATION.—Each member of each Advisory
10 Committee shall be compensated for each day (including
11 travel time) during which such member is attending meet-
12 ings or conferences of that Advisory Committee or otherwise
13 engaged in the business of that Advisory Committee, at the
14 rate which is the daily equivalent of the annual rate of basic
15 pay in effect for level III of the Executive Schedule under
16 section 5314 of title 5. While away from such member’s
17 home or regular place of business such member shall be al-
18 lowed travel expenses, including per diem in lieu of subsist-
19 ence, as authorized by section 5703 of title 5.

20 “(f) ACCESS TO INFORMATION.—Members of each Ad-
21 visory Committee shall be provided access to records and
22 information in the Patent and Trademark Office, except for
23 personnel or other privileged information and information
24 concerning patent applications required to be kept in con-
25 fidence by section 122.

1 “(g) *APPLICABILITY OF CERTAIN ETHICS LAWS.*—
 2 *Members of each Advisory Committee shall be special Gov-*
 3 *ernment employees within the meaning of section 202 of*
 4 *title 18.*

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

8 “(i) *OPEN MEETINGS.*—*The meetings of each Advisory*
 9 *Committee shall be open to the public, except that each Ad-*
 10 *visory Committee may by majority vote meet in executive*
 11 *session when considering personnel or other confidential in-*
 12 *formation.”.*

13 **SEC. 615. PATENT AND TRADEMARK OFFICE FUNDING.**

14 *Section 42(c) of title 35, United States Code, is amend-*
 15 *ed in the second sentence—*

16 (1) *by striking “Fees available” and inserting*
 17 *“All fees available”; and*

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

19 **SEC. 616. CONFORMING AMENDMENTS.**

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

22 (b) *REGULATIONS FOR AGENTS AND ATTORNEYS.*—
 23 *Section 31 of title 35, United States Code, and the item*
 24 *relating to such section in the table of sections for chapter*
 25 *3 of title 35, United States Code, are repealed.*

1 **SEC. 617. TRADEMARK TRIAL AND APPEAL BOARD.**

2 *Section 17 of the Act of July 5, 1946 (commonly re-*
3 *ferred to as the "Trademark Act of 1946") (15 U.S.C. 1067)*
4 *is amended to read as follows:*

5 *"SEC. 17. (a) In every case of interference, opposition*
6 *to registration, application to register as a lawful concur-*
7 *rent user, or application to cancel the registration of a*
8 *mark, the Director shall give notice to all parties and shall*
9 *direct a Trademark Trial and Appeal Board to determine*
10 *and decide the respective rights of registration.*

11 *"(b) The Trademark Trial and Appeal Board shall in-*
12 *clude the Director, the Commissioner for Patents, the Com-*
13 *missioner for Trademarks, and administrative trademark*
14 *judges who are appointed by the Director."*

15 **SEC. 618. BOARD OF PATENT APPEALS AND INTER-**
16 **FERENCES.**

17 *Chapter 1 of title 35, United States Code, is*
18 *amended—*

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

22 *(2) by inserting after section 5 the following:*

23 **"§ 6. Board of Patent Appeals and Interferences**

24 *"(a) ESTABLISHMENT AND COMPOSITION.—There shall*
25 *be in the United States Patent and Trademark Office a*
26 *Board of Patent Appeals and Interferences. The Director,*

1 *the Commissioner for Patents, the Commissioner for Trade-*
2 *marks, and the administrative patent judges shall con-*
3 *stitute the Board. The administrative patent judges shall*
4 *be persons of competent legal knowledge and scientific abil-*
5 *ity who are appointed by the Director.*

6 “(b) *DUTIES.—The Board of Patent Appeals and*
7 *Interferences shall, on written appeal of an applicant, re-*
8 *view adverse decisions of examiners upon applications for*
9 *patents and shall determine priority and patentability of*
10 *invention in interferences declared under section 135(a).*
11 *Each appeal and interference shall be heard by at least 3*
12 *members of the Board, who shall be designated by the Direc-*
13 *tor. Only the Board of Patent Appeals and Interferences*
14 *may grant rehearings.”.*

15 **SEC. 619. ANNUAL REPORT OF DIRECTOR.**

16 *Section 13 of title 35, United States Code, as redesign-*
17 *ated by section 618 of this Act, is amended to read as*
18 *follows:*

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

20 *“The Director shall report to the Congress, not later*
21 *than 180 days after the end of each fiscal year, the moneys*
22 *received and expended by the Office, the purposes for which*
23 *the moneys were spent, the quality and quantity of the work*
24 *of the Office, the nature of training provided to examiners,*
25 *the evaluation of the Director and the Commissioners by*

1 *the Secretary of Commerce, the Director's and the Commis-*
2 *sioners' compensation, and other information relating to*
3 *the Office."*

4 **SEC. 620. SUSPENSION OR EXCLUSION FROM PRACTICE.**

5 *Section 32 of title 35, United States Code, is amended*
6 *by inserting before the last sentence the following: "The Di-*
7 *rector shall have the discretion to designate any attorney*
8 *who is an officer or employee of the United States Patent*
9 *and Trademark Office to conduct the hearing required by*
10 *this section."*

11 **SEC. 621. PAY OF DIRECTOR.**

12 *Section 5314 of title 5, United States Code, is amended*
13 *by striking*

14 *"Assistant Secretary of Commerce and Commis-*
15 *sioner of Patents and Trademarks."*

16 *and inserting*

17 *"Under Secretary of Commerce for Intellectual*
18 *Property and Director of the United States Patent*
19 *and Trademark Office."*

20 ***Subtitle B—Effective Date;***
21 ***Technical Amendments***

22 **SEC. 631. EFFECTIVE DATE.**

23 *This title and the amendments made by this title shall*
24 *take effect 4 months after the date of the enactment of this*
25 *Act.*

1 **SEC. 632. TECHNICAL AND CONFORMING AMENDMENTS.**2 (a) *AMENDMENTS TO TITLE 35.*—3 (1) *The item relating to part I in the table of*
4 *parts for chapter 35, United States Code, is amended*
5 *to read as follows:***“I. United States Patent and Trademark Office 1”.**6 (2) *The heading for part I of title 35, United*
7 *States Code, is amended to read as follows:*8 **“PART I—UNITED STATES PATENT AND**
9 **TRADEMARK OFFICE”.**10 (3) *The table of chapters for part I of title 35,*
11 *United States Code, is amended by amending the*
12 *item relating to chapter 1 to read as follows:***“1. Establishment, Officers and Employees, Functions 1”.**13 (4) *The table of sections for chapter 1 of title 35,*
14 *United States Code, is amended to read as follows:*15 **“CHAPTER 1—ESTABLISHMENT, OFFICERS**
16 **AND EMPLOYEES, FUNCTIONS***“Sec.**“1. Establishment.**“2. Powers and duties.**“3. Officers and employees.**“4. Restrictions on officers and employees as to interest in patents.**“5. Patent and Trademark Office Public Advisory Committee.**“6. Board of Patent Appeals and Interferences.**“7. Library.**“8. Classification of patents.**“9. Certified copies of records.**“10. Publications.**“11. Exchange of copies of patents and applications with foreign countries.**“12. Copies of patents and applications for public libraries.**“13. Annual report to Congress.”.*

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

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

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

10 (8)(A) *Except as provided in subparagraph (B),*
11 *title 35, United States Code, is amended by striking*
12 *“Commissioner” each place it appears and inserting*
13 *“Director”.*

14 (B) *Chapter 17 of title 35, United States Code,*
15 *is amended by striking “Commissioner” each place it*
16 *appears and inserting “Commissioner of Patents”.*

17 (9) *Section 41(a)(8)(A) of title 35, United States*
18 *Code, is amended by striking “On” and inserting*
19 *“on”.*

20 (10) *Section 157(d) of title 35, United States*
21 *Code, is amended by striking “Secretary of Com-*
22 *merce” and inserting “Director”.*

23 (11) *Section 181 of title 35, United States Code,*
24 *is amended in the third paragraph by striking “Sec-*
25 *retary of Commerce under rules prescribed by him”*

1 and inserting “Director under rules prescribed by the
2 Patent and Trademark Office”.

3 (12) Section 188 of title 35, United States Code,
4 is amended by striking “Secretary of Commerce” and
5 inserting “Patent and Trademark Office”.

6 (13) Section 202(a) of title 35, United States
7 Code, is amended—

8 (A) by striking “iv)” and inserting “(iv)”;
9 and

10 (B) by striking the second period after “De-
11 partment of Energy” at the end of the first sen-
12 tence.

13 (b) OTHER PROVISIONS OF LAW.—

14 (1)(A) Section 45 of the Act of July 5, 1946
15 (commonly referred to as the “Trademark Act of
16 1946”; 15 U.S.C. 1127), is amended by striking “The
17 term ‘Commissioner’ means the Commissioner of Pat-
18 ents and Trademarks.’ and inserting “The term ‘Di-
19 rector’ means the Director of the United States Patent
20 and Trademark Office.”.

21 (B) The Act of July 5, 1946 (commonly referred
22 to as the “Trademark Act of 1946”; 15 U.S.C. 1051
23 and following), except for section 17, as amended by
24 section 617 of this Act, is amended by striking “Com-

1 *missioner” each place it appears and inserting “Di-*
2 *rector”.*

3 (2) *Section 500(e) of title 5, United States Code,*
4 *is amended by striking “Patent Office” and inserting*
5 *“United States Patent and Trademark Office”.*

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

8 *“(23) administrative patent judges and des-*
9 *ignated administrative patent judges in the United*
10 *States Patent and Trademark Office;”.*

11 (4) *Section 5316 of title 5, United States Code*
12 *(5 U.S.C. 5316) is amended by striking “Commis-*
13 *sioner of Patents, Department of Commerce.”, “Dep-*
14 *uty Commissioner of Patents and Trademarks.”, “As-*
15 *stant Commissioner for Patents.”, and “Assistant*
16 *Commissioner for Trademarks.”.*

17 (5) *Section 9(p)(1)(B) of the Small Business Act*
18 *(15 U.S.C. 638(p)(1)(B)) is amended to read as fol-*
19 *lows:*

20 *“(B) the Director of the United States Pat-*
21 *ent and Trademark Office; and”.*

22 (6) *Section 12 of the Act of February 14, 1903*
23 *(15 U.S.C. 1511) is amended by striking “(d) Patent*
24 *and Trademark Office;” and redesignating subsections*
25 *(a) through (g) as paragraphs (1) through (6), respec-*

1 *tively and indenting the paragraphs as so redesign-*
2 *ated 2 ems to the right.*

3 *(7) Section 19 of the Tennessee Valley Authority*
4 *Act of 1933 (16 U.S.C. 831r) is amended—*

5 *(A) by striking “Patent Office of the United*
6 *States” and inserting “United States Patent and*
7 *Trademark Office”; and*

8 *(B) by striking “Commissioner of Patents”*
9 *and inserting “Director of the United States*
10 *Patent and Trademark Office”.*

11 *(8) Section 182(b)(2)(A) of the Trade Act of*
12 *1974 (19 U.S.C. 2242(b)(2)(A)) is amended by strik-*
13 *ing “Commissioner of Patents and Trademarks” and*
14 *inserting “Director of the United States Patent and*
15 *Trademark Office”.*

16 *(9) Section 302(b)(2)(D) of the Trade Act of*
17 *1974 (19 U.S.C. 2412(b)(2)(D)) is amended by strik-*
18 *ing “Commissioner of Patents and Trademarks” and*
19 *inserting “Director of the United States Patent and*
20 *Trademark Office”.*

21 *(10) The Act of April 12, 1892 (27 Stat. 395; 20*
22 *U.S.C. 91) is amended by striking “Patent Office”*
23 *and inserting “United States Patent and Trademark*
24 *Office”.*

1 (11) Sections 505(m) and 512(o) of the Federal
2 *Food, Drug, and Cosmetic Act* (21 U.S.C. 355(m) and
3 360b(o)) are each amended by striking “Patent and
4 *Trademark Office of the Department of Commerce*”
5 and inserting “United States Patent and Trademark
6 Office”.

7 (12) Section 702(d) of the Federal Food, Drug,
8 and Cosmetic Act (21 U.S.C. 372(d)) is amended by
9 striking “Commissioner of Patents” and inserting
10 “Director of the United States Patent and Trademark
11 Office” and by striking “Commissioner” and insert-
12 ing “Director”.

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

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

19 (A) in subparagraph (A) by inserting
20 “United States” before “Patent and Trademark”;
21 and

22 (B) in subparagraph (B) by striking “Com-
23 missioner of Patents and Trademarks” and in-
24 serting “Director of the United States Patent
25 and Trademark Office”.

1 (15) Chapter 115 of title 28, United States Code,
2 is amended—

3 (A) in the item relating to section 1744 in
4 the table of sections by striking “Patent Office”
5 and inserting “United States Patent and Trade-
6 mark Office”;

7 (B) in section 1744—

8 (i) by striking “Patent Office” each
9 place it appears in the text and section
10 heading and inserting “United States Pat-
11 ent and Trademark Office”;

12 (ii) by striking “Commissioner of Pat-
13 ents” and inserting “Director of the United
14 States Patent and Trademark Office”; and

15 (C) by striking “Commissioner” and insert-
16 ing “Director”.

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

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

1 (18) *Section 151 of the Atomic Energy Act of*
2 *1954 (42 U.S.C. 2181) is amended in subsections c.*
3 *and d. by striking “Commissioner of Patents” and in-*
4 *serting “Director of the United States Patent and*
5 *Trademark Office”.*

6 (19) *Section 152 of the Atomic Energy Act of*
7 *1954 (42 U.S.C. 2182) is amended by striking “Com-*
8 *missioner of Patents” each place it appears and in-*
9 *serting “Director of the United States Patent and*
10 *Trademark Office”.*

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

14 (A) *in subsection (c) by striking “Commis-*
15 *sioner of Patents” and inserting “Director of the*
16 *United States Patent and Trademark Office*
17 *(hereafter in this section referred to as the ‘Di-*
18 *rector’); and*

19 (B) *by striking “Commissioner” each subse-*
20 *quent place it appears and inserting “Director”.*

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

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

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

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

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

13 (26) *Section 10(i) of the Trading with the enemy*
14 *Act (50 U.S.C. App. 10(i)) is amended by striking*
15 *“Commissioner of Patents” and inserting “Director of*
16 *the United States Patent and Trademark Office”.*

17 (27) *Section 11 of the Inspector General Act of*
18 *1978 (5 U.S.C. App.) is amended—*

19 (A) *in paragraph (1)—*

20 (i) *by striking “and” before “the chief*
21 *executive officer of the Resolution Trust*
22 *Corporation;”;*

23 (ii) *by striking “and” before “the*
24 *Chairperson of the Federal Deposit Insur-*
25 *ance Corporation;”;*

1 (iii) by striking “or” before “the Com-
2 missioner of Social Security,”; and

3 (iv) by inserting “or the Director of the
4 United States Patent and Trademark Of-
5 fice;” after “Social Security Administra-
6 tion;”; and

7 (B) in paragraph (2)—

8 (i) by striking “or” before “the Vet-
9 erans’ Administration,”; and

10 (ii) by striking “or the Social Security
11 Administration” and inserting “the Social
12 Security Administration, or the United
13 States Patent and Trademark Office”.

14 **Subtitle C—Miscellaneous**
15 **Provisions**

16 **SEC. 641. REFERENCES.**

17 (a) *IN GENERAL.*—Any reference in any other Federal
18 *law, Executive order, rule, regulation, or delegation of au-*
19 *thority, or any document of or pertaining to a department*
20 *or office from which a function is transferred by this title—*

21 (1) *to the head of such department or office is*
22 *deemed to refer to the head of the department or office*
23 *to which such function is transferred; or*

1 (2) to such department or office is deemed to
2 refer to the department or office to which such func-
3 tion is transferred.

4 (b) *SPECIFIC REFERENCES.*—Any reference in any
5 other Federal law, Executive order, rule, regulation, or dele-
6 gation of authority, or any document of or pertaining to
7 the Patent and Trademark Office—

8 (1) to the Commissioner of Patents and Trade-
9 marks is deemed to refer to the Director of the United
10 States Patent and Trademark Office;

11 (2) to the Assistant Commissioner for Patents is
12 deemed to refer to the Commissioner for Patents; or

13 (3) to the Assistant Commissioner for Trade-
14 marks is deemed to refer to the Commissioner for
15 Trademarks.

16 **SEC. 642. EXERCISE OF AUTHORITIES.**

17 *Except as otherwise provided by law, a Federal official*
18 *to whom a function is transferred by this title may, for*
19 *purposes of performing the function, exercise all authorities*
20 *under any other provision of law that were available with*
21 *respect to the performance of that function to the official*
22 *responsible for the performance of the function immediately*
23 *before the effective date of the transfer of the function under*
24 *this title.*

1 **SEC. 643. SAVINGS PROVISIONS.**

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

5 (1) that have been issued, made, granted, or al-
6 lowed to become effective by the President, the Sec-
7 retary of Commerce, any officer or employee of any
8 office transferred by this title, or any other Govern-
9 ment official, or by a court of competent jurisdiction,
10 in the performance of any function that is transferred
11 by this title, and

12 (2) that are in effect on the effective date of such
13 transfer (or become effective after such date pursuant
14 to their terms as in effect on such effective date), shall
15 continue in effect according to their terms until modi-
16 fied, terminated, superseded, set aside, or revoked in
17 accordance with law by the President, any other au-
18 thorized official, a court of competent jurisdiction, or
19 operation of law.

20 (b) *PROCEEDINGS.*—This title shall not affect any pro-
21 ceedings or any application for any benefits, service, license,
22 permit, certificate, or financial assistance pending on the
23 effective date of this title before an office transferred by this
24 title, but such proceedings and applications shall be contin-
25 ued. Orders shall be issued in such proceedings, appeals
26 shall be taken therefrom, and payments shall be made pur-

1 *suant to such orders, as if this title had not been enacted,*
2 *and orders issued in any such proceeding shall continue in*
3 *effect until modified, terminated, superseded, or revoked by*
4 *a duly authorized official, by a court of competent jurisdic-*
5 *tion, or by operation of law. Nothing in this subsection shall*
6 *be considered to prohibit the discontinuance or modification*
7 *of any such proceeding under the same terms and condi-*
8 *tions and to the same extent that such proceeding could have*
9 *been discontinued or modified if this title had not been en-*
10 *acted.*

11 *(c) SUITS.—This title shall not affect suits commenced*
12 *before the effective date of this title, and in all such suits,*
13 *proceedings shall be had, appeals taken, and judgments ren-*
14 *dered in the same manner and with the same effect as if*
15 *this title had not been enacted.*

16 *(d) NONABATEMENT OF ACTIONS.—No suit, action, or*
17 *other proceeding commenced by or against the Department*
18 *of Commerce or the Secretary of Commerce, or by or against*
19 *any individual in the official capacity of such individual*
20 *as an officer or employee of an office transferred by this*
21 *title, shall abate by reason of the enactment of this title.*

22 *(e) CONTINUANCE OF SUITS.—If any Government offi-*
23 *cer in the official capacity of such officer is party to a suit*
24 *with respect to a function of the officer, and under this title*
25 *such function is transferred to any other officer or office,*

1 *then such suit shall be continued with the other officer or*
2 *the head of such other office, as applicable, substituted or*
3 *added as a party.*

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

12 **SEC. 644. TRANSFER OF ASSETS.**

13 *Except as otherwise provided in this title, so much of*
14 *the personnel, property, records, and unexpended balances*
15 *of appropriations, allocations, and other funds employed,*
16 *used, held, available, or to be made available in connection*
17 *with a function transferred to an official or agency by this*
18 *title shall be available to the official or the head of that*
19 *agency, respectively, at such time or times as the Director*
20 *of the Office of Management and Budget directs for use in*
21 *connection with the functions transferred.*

22 **SEC. 645. DELEGATION AND ASSIGNMENT.**

23 *Except as otherwise expressly prohibited by law or oth-*
24 *erwise provided in this title, an official to whom functions*
25 *are transferred under this title (including the head of any*

1 *office to which functions are transferred under this title)*
2 *may delegate any of the functions so transferred to such*
3 *officers and employees of the office of the official as the offi-*
4 *cial may designate, and may authorize successive redelega-*
5 *tions of such functions as may be necessary or appropriate.*
6 *No delegation of functions under this section or under any*
7 *other provision of this title shall relieve the official to whom*
8 *a function is transferred under this title of responsibility*
9 *for the administration of the function.*

10 **SEC. 646. AUTHORITY OF DIRECTOR OF THE OFFICE OF**
11 **MANAGEMENT AND BUDGET WITH RESPECT**
12 **TO FUNCTIONS TRANSFERRED.**

13 *(a) DETERMINATIONS.—If necessary, the Director of*
14 *the Office of Management and Budget shall make any deter-*
15 *mination of the functions that are transferred under this*
16 *title.*

17 *(b) INCIDENTAL TRANSFERS.—The Director of the Of-*
18 *fice of Management and Budget, at such time or times as*
19 *the Director shall provide, may make such determinations*
20 *as may be necessary with regard to the functions transferred*
21 *by this title, and to make such additional incidental dis-*
22 *positions of personnel, assets, liabilities, grants, contracts,*
23 *property, records, and unexpended balances of appropria-*
24 *tions, authorizations, allocations, and other funds held,*
25 *used, arising from, available to, or to be made available*

1 *in connection with such functions, as may be necessary to*
2 *carry out the provisions of this title. The Director shall pro-*
3 *vide for the termination of the affairs of all entities termi-*
4 *nated by this title and for such further measures and dis-*
5 *positions as may be necessary to effectuate the purposes of*
6 *this title.*

7 **SEC. 647. CERTAIN VESTING OF FUNCTIONS CONSIDERED**
8 **TRANSFERS.**

9 *For purposes of this title, the vesting of a function in*
10 *a department or office pursuant to reestablishment of an*
11 *office shall be considered to be the transfer of the function.*

12 **SEC. 648. AVAILABILITY OF EXISTING FUNDS.**

13 *Existing appropriations and funds available for the*
14 *performance of functions, programs, and activities termi-*
15 *nated pursuant to this title shall remain available, for the*
16 *duration of their period of availability, for necessary ex-*
17 *penses in connection with the termination and resolution*
18 *of such functions, programs, and activities, subject to the*
19 *submission of a plan to the Committees on Appropriations*
20 *of the House and Senate in accordance with the procedures*
21 *set forth in section 605 of the Departments of Commerce,*
22 *Justice, and State, the Judiciary, and Related Agencies Ap-*
23 *propriations Act, 1999, as contained in Public Law 105-*
24 *277.*

1 **SEC. 649. DEFINITIONS.**

2 *For purposes of this title—*

3 *(1) the term “function” includes any duty, obli-*
4 *gation, power, authority, responsibility, right, privi-*
5 *lege, activity, or program; and*

6 *(2) the term “office” includes any office, admin-*
7 *istration, agency, bureau, institute, council, unit, or-*
8 *ganizational entity, or component thereof.*

9 **TITLE VII—MISCELLANEOUS**
10 **PATENT PROVISIONS**

11 **SEC. 701. PROVISIONAL APPLICATIONS.**

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

14 *“(5) ABANDONMENT.—Notwithstanding the ab-*
15 *sence of a claim, upon timely request and as pre-*
16 *scribed by the Commissioner, a provisional applica-*
17 *tion may be treated as an application filed under*
18 *subsection (a). Subject to section 119(e)(3) of this*
19 *title, if no such request is made, the provisional ap-*
20 *plication shall be regarded as abandoned 12 months*
21 *after the filing date of such application and shall not*
22 *be subject to revival thereafter.”.*

23 *(b) TECHNICAL AMENDMENT RELATING TO WEEKENDS*
24 *AND HOLIDAYS.—Section 119(e) of title 35, United States*
25 *code, is 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 Federal holiday within the District of Columbia, the pe-
4 riod of pendency of the provisional application shall be ex-
5 tended to the next succeeding secular or business day.”.

6 (c) *ELIMINATION OF COPENDENCY REQUIREMENT.*—
7 Section 119(e)(2) of title 35, United States Code, is amend-
8 ed by striking “and the provisional application was pend-
9 ing on the filing date of the application for patent under
10 section 111(a) or section 363 of this title”.

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

18 **SEC. 702. INTERNATIONAL APPLICATIONS.**

19 Section 119 of title 35, United States Code, is
20 amended—

21 (1) in subsection (a)—

22 (A) by inserting “in a WTO member coun-
23 try or” after “patent for the same invention”;

24 and

1 (B) by inserting “such WTO member coun-
2 try or” after “first filed in”;

3 (2) in subsection (c), by inserting “WTO member
4 country or” after “application in the same”; and

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

6 “(f) Applications for plant breeder’s rights filed in a
7 WTO member country (or in a foreign UPOV Contracting
8 Party) shall have the same effect for the purpose of the right
9 of priority under subsections (a) through (c) of this section
10 as applications for patent, subject to the same conditions
11 and requirements of this section as apply to applications
12 for patents.

13 “(g) As used in this section—

14 “(1) the term ‘WTO member country’ has the
15 meaning given that term in section 2(10) of the Uru-
16 guay Round Agreements Act; and

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

20 **SEC. 703. CERTAIN LIMITATIONS ON DAMAGES FOR PATENT**
21 **INFRINGEMENT NOT APPLICABLE.**

22 Section 287(c)(4) of title 35, United States Code, is
23 amended by striking “before the date of enactment of this
24 subsection” and inserting “based on an application the ear-

1 *liest effective filing date of which is prior to September 30,*
2 *1996”.*

3 **SEC. 704. ELECTRONIC FILING.**

4 *Section 22 of title 35, United States Code, is amended*
5 *by striking “printed or typewritten” and inserting “print-*
6 *ed, typewritten, or on an electronic medium”.*

7 **SEC. 705. STUDY AND REPORT ON BIOLOGICAL DEPOSITS**
8 **IN SUPPORT OF BIOTECHNOLOGY PATENTS.**

9 *(a) IN GENERAL.—No later than 6 months after the*
10 *date of the enactment of this Act, the Comptroller General*
11 *of the United States, in consultation with the Director of*
12 *the United States Patent and Trademark Office, shall con-*
13 *duct a study and submit a report to the Congress on the*
14 *potential risks to the United States biotechnology industry*
15 *relating to biological deposits in support of biotechnology*
16 *patents.*

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

19 *(1) an examination of the risk of export and the*
20 *risk of transfers to third parties of biological deposits,*
21 *and the risks posed by the change to 18-month publi-*
22 *cation requirements made by this Act;*

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

25 *(3) any related recommendations.*

1 (c) *CONSIDERATION OF REPORT.*—*In drafting regula-*
2 *tions affecting biological deposits (including any modifica-*
3 *tion of title 37, Code of Federal Regulations, section 1.801*
4 *et seq.), the Patent and Trademark Office shall consider the*
5 *recommendations of the study conducted under this section.*

6 **SEC. 706. PRIOR INVENTION.**

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

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

1 **SEC. 707. PRIOR ART EXCLUSION FOR CERTAIN COMMONLY**
2 **ASSIGNED PATENTS.**

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

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