

Calendar No. 426

107TH CONGRESS
2^D SESSION**S. 1754**

To authorize appropriations for the United States Patent and Trademark Office for fiscal years 2002 through 2007, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 2001

Mr. LEAHY (for himself, Mr. HATCH, Mr. REID, Mr. BENNETT, Ms. CANTWELL, and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

JUNE 20, 2002

Reported by Mr. LEAHY, with an amendment and an amendment to the title
[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize appropriations for the United States Patent and Trademark Office for fiscal years 2002 through 2007, 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 “Patent and Trademark
5 Office Authorization Act of 2002”.

1 **SEC. 2. AUTHORIZATION OF AMOUNTS AVAILABLE TO THE**
2 **PATENT AND TRADEMARK OFFICE.**

3 (a) **IN GENERAL.**—There are authorized to be appro-
4 priated to the United States Patent and Trademark Office
5 for salaries and necessary expenses for each of the fiscal
6 years 2002 through 2007 an amount equal to the fees esti-
7 mated by the Secretary of Commerce to be collected in
8 each such fiscal year, respectively, under—

9 (1) title 35, United States Code; and

10 (2) the Act entitled “An Act to provide for the
11 registration and protection of trademarks used in
12 commerce, to carry out the provisions of certain
13 international conventions, and for other purposes”,
14 approved July 5, 1946 (15 U.S.C. 1051 et seq.)
15 (commonly referred to as the Trademark Act of
16 1946).

17 (b) **ESTIMATES.**—Not later than February 15, of
18 each fiscal year, the Undersecretary of Commerce for In-
19 tellectual Property and the Director of the Patent and
20 Trademark Office (in this Act referred to as the Director)
21 shall submit an estimate of all fees referred to under sub-
22 section (a) to be collected in the next fiscal year to the
23 chairman and ranking member of—

24 (1) the Committees on Appropriations and Ju-
25 diciary of the Senate; and

1 (2) the Committees on Appropriations and Ju-
2 diary of the House of Representatives.

3 **SEC. 3. ELECTRONIC FILING AND PROCESSING OF PATENT**
4 **AND TRADEMARK APPLICATIONS.**

5 (a) **ELECTRONIC FILING AND PROCESSING.**—The Di-
6 rector shall, during the 3-year period beginning December
7 1, 2001, develop an electronic system for the filing and
8 processing of patent and trademark applications, that—

9 (1) is user friendly; and

10 (2) includes the necessary infrastructure—

11 (A) to allow examiners and applicants to
12 send all communications electronically; and

13 (B) to allow the Office to process, main-
14 tain, and search electronically the contents and
15 history of each application.

16 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Of
17 amounts authorized under section 2, there is authorized
18 to be appropriated to carry out subsection (a) of this sec-
19 tion not more than \$50,000,000 for each of fiscal years
20 2002 and 2003. Amounts made available pursuant to this
21 subsection shall remain available until expended.

22 **SEC. 4. STRATEGIC PLAN.**

23 (a) **DEVELOPMENT OF PLAN.**—The Director shall, in
24 close consultation with the Patent Public Advisory Com-
25 mittee and the Trademark Public Advisory Committee, de-

1 develop a strategic plan that sets forth the goals and meth-
2 ods by which the United States Patent and Trademark
3 Office will, during the 5-year period beginning on October
4 1, 2002—

5 (1) enhance patent and trademark quality;
6 (2) reduce patent and trademark pendency; and
7 (3) develop and implement an effective elec-
8 tronic system for use by the Patent and Trademark
9 Office and the public for all aspects of the patent
10 and trademark processes, including, in addition to
11 the elements set forth in section 3, searching, exam-
12 ining, communicating, publishing, and making pub-
13 licly available, patents and trademark registrations.
14 The strategic plan shall include milestones and objective
15 and meaningful criteria for evaluating the progress and
16 successful achievement of the plan. The Director shall con-
17 sult with the Public Advisory Committees with respect to
18 the development of each aspect of the strategic plan.

19 (b) REPORT TO CONGRESSIONAL COMMITTEES.—
20 The Director shall, not later than February 15, 2002, or
21 4 months after the date of the enactment of this Act,
22 whichever is later, submit the plan developed under sub-
23 section (a) to the Committees on the Judiciary of the Sen-
24 ate and the House of Representatives.

1 **SEC. 5. DETERMINATION OF SUBSTANTIAL NEW QUESTION**
2 **OF PATENTABILITY IN REEXAMINATION PRO-**
3 **CEEDINGS.**

4 (a) **IN GENERAL.**—Sections 303(a) and 312(a) of
5 title 35, United States Code, are each amended by adding
6 at the end the following: “The existence of a substantial
7 new question of patentability is not precluded by the fact
8 that a patent or printed publication was previously cited
9 by or to the Office or considered by the Office.”.

10 (b) **EFFECTIVE DATE.**—The amendments made by
11 this section shall apply with respect to any determination
12 of the Director of the United States Patent and Trade-
13 mark Office that is made under section 303(a) or 312(a)
14 of title 35, United States Code, on or after the date of
15 the enactment of this Act.

16 **SEC. 6. APPEALS IN INTER PARTES REEXAMINATION PRO-**
17 **CEEDINGS.**

18 (a) **APPEALS BY THIRD-PARTY REQUESTER IN PRO-**
19 **CEEDINGS.**—Section 315(b) of title 35, United States
20 Code, is amended to read as follows:

21 “(b) **THIRD-PARTY REQUESTER.**—A third-party
22 requester—

23 “(1) may appeal under the provisions of section
24 134, and may appeal under the provisions of sec-
25 tions 141 through 144, with respect to any final de-
26 cision favorable to the patentability of any original

1 or proposed amended or new claim of the patent;
2 and

3 “(2) may, subject to subsection (e), be a party
4 to any appeal taken by the patent owner under the
5 provisions of section 134 or sections 141 through
6 144.”.

7 (b) APPEAL TO BOARD OF PATENT APPEALS AND
8 INTERFERENCES.—Section 134(e) of title 35, United
9 States Code, is amended by striking the last sentence.

10 (c) APPEAL TO COURT OF APPEALS FOR THE FED-
11 ERAL CIRCUIT.—Section 141 of title 35, United States
12 Code, is amended in the third sentence by inserting “, or
13 a third-party requester in an inter partes reexamination
14 proceeding, who is” after “patent owner”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section apply with respect to any reexamination pro-
17 ceeding commenced on or after the date of the enactment
18 of this Act.

19 **SECTION 1. SHORT TITLE.**

20 *This Act may be cited as the “Patent and Trademark*
21 *Office Authorization Act of 2002”.*

22 **SEC. 2. AUTHORIZATION OF AMOUNTS AVAILABLE TO THE**
23 **PATENT AND TRADEMARK OFFICE.**

24 (a) *IN GENERAL.—There are authorized to be appro-*
25 *priated to the United States Patent and Trademark Office*

1 *for salaries and necessary expenses for each of the fiscal*
2 *years 2003 through 2008 an amount equal to the fees esti-*
3 *mated by the Secretary of Commerce to be collected in each*
4 *such fiscal year, respectively, under—*

5 *(1) title 35, United States Code; and*

6 *(2) the Act entitled “An Act to provide for the*
7 *registration and protection of trademarks used in*
8 *commerce, to carry out the provisions of certain inter-*
9 *national conventions, and for other purposes”, ap-*
10 *proved July 5, 1946 (15 U.S.C. 1051 et seq.) (com-*
11 *monly referred to as the Trademark Act of 1946).*

12 *(b) ESTIMATES.—Not later than February 15, of each*
13 *fiscal year, the Undersecretary of Commerce for Intellectual*
14 *Property and the Director of the Patent and Trademark*
15 *Office (in this Act referred to as the Director) shall submit*
16 *an estimate of all fees referred to under subsection (a) to*
17 *be collected in the next fiscal year to the chairman and*
18 *ranking member of—*

19 *(1) the Committees on Appropriations and Judi-*
20 *ciary of the Senate; and*

21 *(2) the Committees on Appropriations and Judi-*
22 *ciary of the House of Representatives.*

1 **SEC. 3. ELECTRONIC FILING AND PROCESSING OF PATENT**
2 **AND TRADEMARK APPLICATIONS.**

3 (a) *ELECTRONIC FILING AND PROCESSING.*—Not later
4 than December 1, 2004, the Director shall complete the de-
5 velopment of an electronic system for the filing and proc-
6 essing of patent and trademark applications, that—

7 (1) *is user friendly; and*

8 (2) *includes the necessary infrastructure to—*

9 (A) *allow examiners and applicants to send*
10 *all communications electronically; and*

11 (B) *allow the Office to process, maintain,*
12 *and search electronically the contents and his-*
13 *tory of each application.*

14 (b) *AUTHORIZATION OF APPROPRIATIONS.*—Of
15 amounts authorized under section 2, there are authorized
16 to be appropriated to carry out subsection (a) of this section
17 not more than \$50,000,000 for each of fiscal years 2003 and
18 2004. Amounts made available under this subsection shall
19 remain available until expended.

20 **SEC. 4. ANNUAL REPORTS ON STRATEGIC PLAN.**

21 *In each of the 5 calendar years following the date of*
22 *enactment of this Act, the Secretary of Commerce shall sub-*
23 *mit a report to the Committees on the Judiciary of the Sen-*
24 *ate and the House of Representatives on—*

25 (1) *the progress made in implementing the 21st*
26 *Century Strategic Plan issued on June 3, 2002; and*

1 (2) *any amendments made to the plan.*

2 **SEC. 5. DETERMINATION OF SUBSTANTIAL NEW QUESTION**
 3 **OF PATENTABILITY IN REEXAMINATION PRO-**
 4 **CEEDINGS.**

5 (a) *IN GENERAL.*—Sections 303(a) and 312(a) of title
 6 35, United States Code, are each amended by adding at
 7 the end the following: “The existence of a substantial new
 8 question of patentability is not precluded by the fact that
 9 a patent or printed publication was previously cited by or
 10 to the Office or considered by the Office.”.

11 (b) *EFFECTIVE DATE.*—The amendments made by this
 12 section shall apply with respect to any determination of the
 13 Director of the United States Patent and Trademark Office
 14 that is made under section 303(a) or 312(a) of title 35,
 15 United States Code, on or after the date of the enactment
 16 of this Act.

17 **SEC. 6. APPEALS IN INTER PARTES REEXAMINATION PRO-**
 18 **CEEDINGS.**

19 (a) *APPEALS BY THIRD-PARTY REQUESTER IN PRO-*
 20 *CEEDINGS.*—Section 315(b) of title 35, United States Code,
 21 is amended to read as follows:

22 “(b) *THIRD-PARTY REQUESTER.*—A third-party
 23 requester—

24 “(1) may appeal under the provisions of section
 25 134, and may appeal under the provisions of sections

1 141 through 144, with respect to any final decision
2 favorable to the patentability of any original or pro-
3 posed amended or new claim of the patent; and

4 “(2) may, subject to subsection (c), be a party to
5 any appeal taken by the patent owner under the pro-
6 visions of section 134 or sections 141 through 144.”.

7 **(b) APPEAL TO BOARD OF PATENT APPEALS AND**
8 **INTERFERENCES.**—Section 134(c) of title 35, United States
9 Code, is amended by striking the last sentence.

10 **(c) APPEAL TO COURT OF APPEALS FOR THE FEDERAL**
11 **CIRCUIT.**—Section 141 of title 35, United States Code, is
12 amended in the third sentence by inserting “, or a third-
13 party requester in an inter partes reexamination pro-
14 ceeding, who is” after “patent owner”.

15 **(d) EFFECTIVE DATE.**—The amendments made by this
16 section apply with respect to any reexamination proceeding
17 commenced on or after the date of the enactment of this
18 Act.

Amend the title so as to read: “A bill to authorize appropriations for the United States Patent and Trademark Office for fiscal years 2003 through 2008, and for other purposes.”.

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