

106TH CONGRESS
1ST SESSION

S. 1798

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 SENATE OF THE UNITED STATES

OCTOBER 27, 1999

Mr. HATCH (for himself and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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
5 Protection 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. Integrity in invention promotion services.
- Sec. 103. Effective date.

TITLE II—PATENT AND TRADEMARK FEE FAIRNESS

- Sec. 201. Short title.
- Sec. 202. Adjustment of patent fees.
- Sec. 203. Adjustment of trademark fees.
- Sec. 204. Study on alternative fee structures.
- Sec. 205. Patent and Trademark Office funding.
- Sec. 206. Effective date.

TITLE III—FIRST INVENTOR DEFENSE

- Sec. 301. Short title.
- Sec. 302. Defense to patent infringement based on earlier inventor.
- Sec. 303. Study and report on business methods patents.
- Sec. 304. Effective date and applicability.

TITLE IV—PATENT TERM GUARANTEE

- Sec. 401. Short title.
- Sec. 402. Patent term guarantee authority.
- Sec. 403. Continued examination of patent applications.
- Sec. 404. Technical clarification.
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TITLE V—DOMESTIC PUBLICATION OF PATENT APPLICATIONS PUBLISHED ABROAD

- Sec. 501. Short title.
- Sec. 502. Publication.
- Sec. 503. Time for claiming benefit of earlier filing date.
- Sec. 504. Provisional rights.
- Sec. 505. Prior art effect of published applications.
- Sec. 506. Cost recovery for publication.
- Sec. 507. Conforming amendments.
- Sec. 508. Effective date.

TITLE VI—OPTIONAL INTER PARTES REEXAMINATION PROCEDURE

- Sec. 601. Short title.
- Sec. 602. Ex parte reexamination of patents.
- Sec. 603. Definitions.
- Sec. 604. Optional inter partes reexamination procedures.
- Sec. 605. Conforming amendments.
- Sec. 606. Report to Congress.
- Sec. 607. Estoppel effect of reexamination.
- Sec. 608. Effective date.

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 and publications.

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.

Sec. 708. Exchange of copies of patents with foreign countries.

Sec. 709. National security.

1 **TITLE I—INVENTORS’ RIGHTS**

2 **SEC. 101. SHORT TITLE.**

3 This title may be cited as the “Inventors’ Rights Act
4 of 1999”.

5 **SEC. 102. INTEGRITY IN INVENTION PROMOTION SERVICES.**

6 (a) Chapter 29 of title 35, United States Code, is
7 amended by adding at the end the following new section:

8 **“§ 297. Improper and deceptive invention promotion**

9 “(a) IN GENERAL.—An invention promoter shall
10 have a duty to disclose the following information to a cus-
11 tomer in writing, prior to entering into a contract for in-
12 vention promotion services:

13 “(1) the total number of inventions evaluated
14 by the invention promoter for commercial potential
15 in the past 5 years, as well as the number of those
16 inventions that received positive evaluations, and the
17 number of those inventions that received negative
18 evaluations;

19 “(2) the total number of customers who have
20 contracted with the invention promoter in the past
21 5 years, not including customers who have pur-
22 chased trade show services, research, advertising, or

1 other nonmarketing services from the invention pro-
2 moter, or who have defaulted in their payment to
3 the invention promoter;

4 “(3) the total number of customers known by
5 the invention promoter to have received a net finan-
6 cial profit as a direct result of the invention pro-
7 motion services provided by such invention promoter;

8 “(4) the total number of customers known by
9 the invention promoter to have received license
10 agreements for their inventions as a direct result of
11 the invention promotion services provided by such
12 invention promoter; and

13 “(5) the names and addresses of all previous in-
14 vention promotion companies with which the inven-
15 tion promoter or its officers have collectively or indi-
16 vidually been affiliated in the previous 10 years.

17 “(b) CIVIL ACTION.—(1) Any customer who is found
18 by a court to have been injured by any material false or
19 fraudulent statement or representation, or any omission
20 of material fact, by an invention promoter (or any agent,
21 employee, director, officer, partner, or independent con-
22 tractor of such invention promoter), or by the failure of
23 an invention promoter to disclose such information as re-
24 quired under subsection (a), may recover in a civil action
25 against the invention promoter (or the officers, directors,

1 or partners of such invention promoter), in addition to
2 reasonable costs and attorneys' fees—

3 “(A) the amount of actual damages incurred by
4 the plaintiff; or

5 “(B) at the election of the plaintiff at any time
6 before final judgment is rendered, statutory damages
7 in a sum of not more than \$5,000, as the court con-
8 siders just.

9 “(2) Notwithstanding paragraph (1), in a case where
10 the plaintiff sustains the burden of proof, and the court
11 finds, that the invention promoter intentionally misrepre-
12 sented or omitted a material fact to such customer, or will-
13 fully failed to disclose such information as required under
14 subsection (a), with the purpose of deceiving that cus-
15 tomer, the court may increase damages to not more than
16 3 times the amount awarded, taking into account past
17 complaints made against the invention promoter that re-
18 sulted in regulatory sanctions or other corrective actions
19 based on those records compiled by the Commissioner
20 under subsection (d).

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) a ‘contract for invention promotion serv-
23 ices’ means a contract by which an invention pro-
24 moter undertakes invention promotion services for a
25 customer;

1 “(2) a ‘customer’ is any person, firm, partner-
2 ship, corporation or other entity who enters into a
3 contract with an invention promoter for invention
4 promotion services;

5 “(3) the term ‘invention promoter’ means any
6 person, firm, partnership, corporation, or other enti-
7 ty who offers to perform or performs invention pro-
8 motion services for, or on behalf of, a customer, but
9 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,
14 or educational organization, qualified under ap-
15 plicable State law or described under section
16 170(b)(1)(A) of the Internal Revenue Code of
17 1986;

18 “(C) any person or entity involved in the
19 evaluation to determine commercial potential of,
20 or offering to license or sell, a utility patent or
21 a previously filed nonprovisional utility patent
22 application;

23 “(D) any party participating in a trans-
24 action involving the sale of the stock or assets
25 of a business; or

1 “(E) any party who directly engages in the
2 business of retail sales of products or the dis-
3 tribution of products; and

4 “(4) the term ‘invention promotion services’
5 means any act, where the customer is an individual,
6 done for the purpose of procuring a firm, corpora-
7 tion, or other entity to develop and market products
8 or services that include the invention.

9 “(d) RECORDS OF COMPLAINTS.—

10 “(1) RELEASE OF COMPLAINTS.—The Commis-
11 sioner shall make all complaints received by the Pat-
12 ent and Trademark Office involving invention pro-
13 motors publicly available, together with any response
14 of the invention promoters.

15 “(2) REQUEST FOR COMPLAINTS.—The Com-
16 missioner may request complaints relating to inven-
17 tion promotion services from any Federal or State
18 agency and include such complaints in the records
19 maintained under paragraph (1), together with any
20 response of the invention promoters.”.

21 (b) CONFORMING AMENDMENT.—The table of sec-
22 tions at the beginning of chapter 29 of title 35, United
23 States Code, is amended by adding at the end the fol-
24 lowing new item:

“§ 297. Improper and deceptive invention promotion.”.

1 **SEC. 103. EFFECTIVE DATE.**

2 This title and the amendments made by this title
3 shall take effect 60 days after the date of the enactment
4 of this Act.

5 **TITLE II—PATENT AND**
6 **TRADEMARK FEE FAIRNESS**

7 **SEC. 201. SHORT TITLE.**

8 This title may be cited as the “Patent and Trade-
9 mark Fee Fairness Act of 1999”.

10 **SEC. 202. ADJUSTMENT OF PATENT FEES.**

11 (a) ORIGINAL FILING FEE.—Section 41(a)(1)(A) of
12 title 35, United States Code, relating to the fee for filing
13 an original patent application, is amended by striking
14 “\$760” and inserting “\$690”.

15 (b) REISSUE FEE.—Section 41(a)(4)(A) of title 35,
16 United States Code, relating to the fee for filing for a re-
17 issue of a patent, is amended by striking “\$760” and in-
18 serting “\$690”.

19 (c) NATIONAL FEE FOR CERTAIN INTERNATIONAL
20 APPLICATIONS.—Section 41(a)(10) of title 35, United
21 States Code, relating to the national fee for certain inter-
22 national applications, is amended by striking “\$760” and
23 inserting “\$690”.

24 (d) MAINTENANCE FEES.—Section 41(b)(1) of title
25 35, United States Code, relating to certain maintenance

1 fees, is amended by striking “\$940” and inserting
2 “\$830”.

3 **SEC. 203. ADJUSTMENT OF TRADEMARK FEES.**

4 Notwithstanding the second sentence of section 31(a)
5 of the Trademark Act of 1946 (15 U.S.C. 111(a)), the
6 Commissioner of Patents and Trademarks is authorized
7 in fiscal year 2000 to adjust trademark fees without re-
8 gard to fluctuations in the Consumer Price Index during
9 the preceding 12 months.

10 **SEC. 204. STUDY ON ALTERNATIVE FEE STRUCTURES.**

11 The Commissioner of Patents and Trademarks shall
12 conduct a study of alternative fee structures that could
13 be adopted by the United States Patent and Trademark
14 Office to encourage maximum participation by the inven-
15 tor community in the United States. The Commissioner
16 shall submit such study to the Committees on the Judici-
17 ary of the House of Representatives and the Senate not
18 later than 1 year after the date of enactment of this Act.

19 **SEC. 205. PATENT AND TRADEMARK OFFICE FUNDING.**

20 Section 42(c) of title 35, United States Code, is
21 amended in the second sentence—

22 (1) by striking “Fees available” and inserting

23 “All fees available”; and

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

1 **SEC. 206. EFFECTIVE DATE.**

2 (a) Except as provided in subsection (b), the amend-
3 ments made by this title shall take effect on the date of
4 the enactment of this Act.

5 (b) The amendments made by section 202 of this title
6 shall take effect 30 days after the date of the enactment
7 of this Act.

8 **TITLE III—FIRST INVENTOR**
9 **DEFENSE**

10 **SEC. 301. SHORT TITLE.**

11 This title may be cited as the “First Inventor Defense
12 Act of 1999”.

13 **SEC. 302. DEFENSE TO PATENT INFRINGEMENT BASED ON**
14 **EARLIER INVENTOR.**

15 (a) DEFENSE.—Chapter 28 of title 35, United States
16 Code, is amended by adding at the end the following new
17 section:

18 **“§ 273. Defense to infringement based on earlier in-**
19 **ventor**

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

21 “(1) the terms ‘commercially used’ and ‘com-
22 mercial use’ mean use of a method in the United
23 States, so long as such use is in connection with an
24 internal commercial use or an actual arm’s-length
25 sale or other arm’s-length commercial transfer of a
26 useful end result, whether or not the subject matter

1 at issue is accessible to or otherwise known to the
2 public, except that the subject matter for which com-
3 mercial marketing or use is subject to a premar-
4 keting regulatory review period during which the
5 safety or efficacy of the subject matter is estab-
6 lished, including any period specified in section
7 156(g), shall be deemed ‘commercially used’ and in
8 ‘commercial use’ during such regulatory review pe-
9 riod;

10 “(2) in the case of activities performed by a
11 nonprofit research laboratory, or nonprofit entity
12 such as a university, research center, or hospital, a
13 use for which the public is the intended beneficiary
14 shall be considered to be a use described in para-
15 graph (1), except that the use—

16 “(A) may be asserted as a defense under
17 this section only for continued use by and in
18 the laboratory or nonprofit entity; and

19 “(B) may not be asserted as a defense
20 with respect to any subsequent commercializa-
21 tion or use outside such laboratory or nonprofit
22 entity;

23 “(3) the term ‘method’ means a method of
24 doing or conducting business; and

1 “(4) the ‘effective filing date’ of a patent is the
2 earlier of the actual filing date of the application for
3 the patent or the filing date of any earlier United
4 States, foreign, or international application to which
5 the subject matter at issue is entitled under section
6 199, 120, or 365 of this title.

7 “(b) DEFENSE TO INFRINGEMENT.—

8 “(1) IN GENERAL.—It shall be a defense to an
9 action for infringement under section 271 of this
10 title with respect to any subject matter that would
11 otherwise infringe one or more claims for a method
12 in the patent being asserted against a person, if
13 such person had, acting in good faith, actually re-
14 duced the subject matter to practice at least one
15 year before the effective filing date of such patent,
16 and commercially used the subject matter before the
17 effective filing date of such patent.

18 “(2) EXHAUSTION OF RIGHT.—The sale or
19 other disposition of a useful end product produced
20 by a patented method, by a person entitled to assert
21 a defense under this section with respect to that use-
22 ful end result shall exhaust the patent owner’s rights
23 under the patent to the extent such rights would
24 have been exhausted had such sale or other disposi-
25 tion been made by the patent owner.

1 “(3) LIMITATIONS AND QUALIFICATIONS OF DE-
2 FENSE.—The defense to infringement under this
3 section is subject to the following:

4 “(A) PATENT.—A person may not assert
5 the defense under this section unless the inven-
6 tion for which the defense is asserted is for a
7 method.

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

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

1 “(4) BURDEN OF PROOF.—A person asserting
2 the defense under this section shall have the burden
3 of establishing the defense by clear and convincing
4 evidence.

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

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

21 “(7) LIMITATION ON SITES.—A defense under
22 this section, when acquired as part of a good faith
23 assignment or transfer of an entire enterprise or line
24 of business to which the defense relates, may only be
25 asserted for uses at sites where the subject matter

1 that would otherwise infringe one or more of the
 2 claims is in use before the later of the effective filing
 3 date of the patent or the date of the assignment or
 4 transfer of such enterprise or line of business.

5 “(8) UNSUCCESSFUL ASSERTION OF DE-
 6 FENSE.—If the defense under this section is pleaded
 7 by a person who is found to infringe the patent and
 8 who subsequently fails to demonstrate a reasonable
 9 basis for asserting the defense, the court shall find
 10 the case exceptional for the purpose of awarding at-
 11 torney’s fees under section 285 of this title.

12 “(9) INVALIDITY.—A patent shall not be
 13 deemed to be invalid under section 102 or 103 of
 14 this title solely because a defense is raised or estab-
 15 lished under this section.”.

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

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

20 **SEC. 303. STUDY AND REPORT ON BUSINESS METHODS PAT-**
 21 **ENTS.**

22 (a) IN GENERAL.—No later than 120 days after the
 23 date of the enactment of this Act, the General Accounting
 24 Office, in consultation with the Patent and Trademark Of-
 25 fice, shall conduct a study and submit a report to the Ju-

1 diciary Committees of the Senate and House of Represent-
2 atives on the effect on innovation, competition (foreign
3 and domestic), and American businesses (including elec-
4 tronic commerce) of the quality of patents being issued
5 on business methods by the Patent and Trademark Office.

6 (b) CONTENTS.—The study conducted under this sec-
7 tion shall include—

8 (1) an examination of the number of applica-
9 tions received for patents on methods of doing busi-
10 ness, including recent trends and forecasts, and the
11 number of patents granted based on such applica-
12 tions;

13 (2) an examination of the nature of the appli-
14 cants filing for and receiving such business methods
15 patents, including by industry sectors, the extent to
16 which such applicants have filed for patent protec-
17 tion for such business methods in foreign countries,
18 and the nature of the technologies or business mod-
19 els represented in such patents and patent applica-
20 tions;

21 (3) an evaluation of the database of patents,
22 publications, and other information used by the Pat-
23 ent and Trademark Office to examine applications
24 for patents on methods of doing business;

1 (4) an analysis of the types of skills needed by
2 patent examiners to adequately examine applications
3 for patents on business methods, whether there are
4 a sufficient number of examiners handling these ap-
5 plications with the requisite skills, and what types of
6 training, if any, may be called for to augment these
7 skills;

8 (5) an analysis of the economic and competitive
9 impact of patents issued on business methods on
10 American businesses, particularly on businesses in-
11 volved in electronic commerce, including the effect of
12 such patents on companies' abilities to raise invest-
13 ment capital, compete in their relevant markets, and
14 innovate in emerging markets and technologies; and

15 (6) the extent, outcome, and effects on Amer-
16 ican business, competition, and innovation of litiga-
17 tion surrounding approved business methods pat-
18 ents.

19 **SEC. 304. EFFECTIVE DATE AND APPLICABILITY.**

20 This title and the amendments made by this title
21 shall take effect on the date of the enactment of this Act,
22 but shall not apply to any action for infringement that
23 is pending on such date of the enactment or with respect
24 to any subject matter for which an adjudication of in-

1 fringement, including a consent judgment, has been made
 2 before such date of enactment.

3 **TITLE IV—PATENT TERM** 4 **GUARANTEE**

5 **SEC. 401. SHORT TITLE.**

6 This title may be cited as the “Patent Term Guar-
 7 antee Act of 1999”.

8 **SEC. 402. PATENT TERM GUARANTEE AUTHORITY.**

9 (a) ADJUSTMENT OF PATENT TERM.—Section
 10 154(b) of title 35, United States Code, is amended to read
 11 as follows:

12 “(b) ADJUSTMENT OF PATENT TERM.—

13 “(1) PATENT TERM GUARANTEES.—

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

20 “(i) provide at least 1 of the notifica-
 21 tions under section 132 of this title or a
 22 notice of allowance under section 151 of
 23 this title not later than 14 months after—

1 “(I) the date on which an appli-
2 cation was filed under section 111(a)
3 of this title; or

4 “(II) the date on which an inter-
5 national application fulfilled the re-
6 quirements of section 371 of this title;

7 “(ii) respond to a reply under section
8 132, or to an appeal taken under section
9 134, within 4 months after the date on
10 which the reply was filed or the appeal was
11 taken;

12 “(iii) act on an application within 4
13 months after the date of a decision by the
14 Board of Patent Appeals and Interferences
15 under section 134 or 135 or a decision by
16 a Federal court under section 141, 145, or
17 146 in a case in which allowable claims re-
18 main in the application; or

19 “(iv) issue a patent within 4 months
20 after the date on which the issue fee was
21 paid under section 151 and all outstanding
22 requirements were satisfied,

23 the term of the patent shall be extended one
24 day for each day after the end of the period
25 specified in clause (i), (ii), (iii), or (iv), as the

1 case may be, until the action described in such
2 clause is taken.

3 “(B) GUARANTEE OF NO MORE THAN 3-
4 YEAR APPLICATION PENDENCY.—Subject to the
5 limitations under paragraph (2), if the issue of
6 an original patent is delayed due to the failure
7 of the Patent and Trademark Office to issue a
8 patent within 3 years after the actual filing
9 date of the application in the United States, not
10 including—

11 “(i) any time consumed by continued
12 examination of the application requested
13 by the applicant under section 132(b);

14 “(ii) any time consumed by a pro-
15 ceeding under section 135(a), any time
16 consumed by the imposition of an order
17 pursuant to section 181, or any time con-
18 sumed by appellate review by the Board of
19 Patent Appeals and Interferences or by a
20 Federal court; or

21 “(iii) any delay in the processing of
22 the application by the Patent and Trade-
23 mark Office requested by the applicant ex-
24 cept as permitted by paragraph (3)(C),

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

4 “(C) GUARANTEE OR ADJUSTMENTS FOR
5 DELAYS DUE TO INTERFERENCES, SECRECY OR-
6 DERS, AND APPEALS.—Subject to the limita-
7 tions under paragraph (2), if the issue of an
8 original patent is delayed due to—

9 “(i) a proceeding under section
10 135(a);

11 “(ii) the imposition of an order pursu-
12 ant to section 181; or

13 “(iii) appellate review by the Board of
14 Patent Appeals and Interferences or by a
15 Federal court in a case in which the patent
16 was issued pursuant to a decision in the
17 review reversing an adverse determination
18 of patentability,

19 the term of the patent shall be extended one
20 day for each day of the pendency of the pro-
21 ceeding, order, or review, as the case may be.

22 “(2) LIMITATIONS.—

23 “(A) IN GENERAL.—To the extent that pe-
24 riods of delay attributable to grounds specified
25 in paragraph (1) overlap, the period of any ad-

1 justment granted under this subsection shall
2 not exceed the actual number of days the
3 issuance of the patent was delayed.

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

9 “(C) REDUCTION OF PERIOD OF ADJUST-
10 MENT.—

11 “(i) The period of adjustment of the
12 term of a patent under paragraph (1) shall
13 be reduced by a period equal to the period
14 of time during which the applicant failed
15 to engage in reasonable efforts to conclude
16 prosecution of the application.

17 “(ii) With respect to adjustments to
18 patent term made under the authority of
19 paragraph (1)(B), an applicant shall be
20 deemed to have failed to engage in reason-
21 able efforts to conclude processing or ex-
22 amination of an application for the cumu-
23 lative total of any periods of time in excess
24 of 3 months that are taken to respond to
25 a notice from the Office making any rejec-

tion, objection, argument, or other request,
measuring such 3-month period from the
date the notice was given or mailed to the
applicant.

“(iii) The Commissioner shall pre-
scribe regulations establishing the cir-
cumstances that constitute a failure of an
applicant to engage in reasonable efforts to
conclude processing or examination of an
application.

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

“(A) The Commissioner shall prescribe
regulations establishing procedures for the ap-
plication for and determination of patent term
adjustments under this subsection.

“(B) Under the procedures established
under subparagraph (A), the Commissioner
shall—

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

1 “(ii) provide the applicant one oppor-
2 tunity to request reconsideration of any
3 patent term adjustment determination
4 made by the Commissioner.

5 “(C) The Commissioner shall reinstate all
6 or part of the cumulative period of time of an
7 adjustment under paragraph (2)(C) if the appli-
8 cant, prior to the issuance of the patent, makes
9 a showing that, in spite of all due care, the ap-
10 plicant was unable to respond within the 3-
11 month period, but in no case shall more than 3
12 additional months for each such response be-
13 yond the original 3-month period be reinstated.

14 “(D) The Commissioner shall proceed to
15 grant the patent after completion of the Com-
16 missioner’s determination of a patent term ad-
17 justment under the procedures established
18 under this subsection, notwithstanding any ap-
19 peal taken by the applicant of such determina-
20 tion.

21 “(4) APPEAL OF PATENT TERM ADJUSTMENT
22 DETERMINATION.—

23 “(A) An applicant dissatisfied with a de-
24 termination made by the Commissioner under
25 paragraph (3) shall have remedy by a civil ac-

tion against the Commissioner filed in the United States District Court for the District of Columbia within 180 days after the grant of the patent. Chapter 7 of title 5 shall apply to such action. Any final judgment resulting in a change to the period of adjustment of the patent term shall be served on the Commissioner, and the Commissioner shall thereafter alter the term of the patent to reflect such change.

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

(b) CONFORMING AMENDMENTS.—

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

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

SEC. 403. CONTINUED EXAMINATION OF PATENT APPLICATIONS.

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

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

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

4 “(b) The Commissioner shall prescribe regulations to
5 provide for the continued examination of applications for
6 patent at the request of the applicant. The Commissioner
7 may establish appropriate fees for such continued exam-
8 ination and shall provide a 50 percent reduction in such
9 fees for small entities that qualify for reduced fees under
10 section 41(h)(1) of this title.”.

11 **SEC. 404. TECHNICAL CLARIFICATION.**

12 Section 156(a) of title 35, United States Code, is
13 amended in the matter preceding paragraph (1) by insert-
14 ing “, which shall include any patent term adjustment
15 granted under section 154(b),” after “the original expira-
16 tion date of the patent”.

17 **SEC. 405. EFFECTIVE DATE.**

18 (a) AMENDMENTS MADE BY SECTIONS 402 AND
19 404.—The amendments made by sections 402 and 404
20 shall take effect on the date that is 6 months after the
21 date of the enactment of this Act and, except for a design
22 patent application filed under chapter 16 of title 35,
23 United States Code, shall apply to any application filed
24 on or after the date that is 6 months after the date of
25 the enactment of this Act.

1 (b) AMENDMENTS MADE BY SECTION 403.—The
2 amendments made by section 403—

3 (1) shall take effect on the date that is 6
4 months after the date of the enactment of this Act,
5 and shall apply to all applications filed under section
6 111(a) of title 35, United States Code, on or after
7 June 8, 1995, and all applications complying with
8 section 371 of title 35, United States Code, that re-
9 sulted from international applications filed on or
10 after June 8, 1995; and

11 (2) do not apply to applications for design pat-
12 ents under chapter 16 of title 35, United States
13 Code.

14 **TITLE V—DOMESTIC PUBLICA-**
15 **TION OF PATENT APPLICA-**
16 **TIONS PUBLISHED ABROAD**

17 **SEC. 501. SHORT TITLE.**

18 This title may be cited as the “Domestic Publication
19 of Foreign Filed Patent Applications Act of 1999”.

20 **SEC. 502. PUBLICATION.**

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

1 **“§ 122. Confidential status of applications; publica-**
2 **tion of patent applications**

3 “(a) CONFIDENTIALITY.—Except as provided in sub-
4 section (b), applications for patents shall be kept in con-
5 fidence by the Patent and Trademark Office and no infor-
6 mation concerning the same given without authority of the
7 applicant or owner unless necessary to carry out the provi-
8 sions of an Act of Congress or in such special cir-
9 cumstances as may be determined by the Commissioner.

10 “(b) PUBLICATION.—

11 “(1) IN GENERAL.—(A) Subject to paragraph
12 (2), each application for a patent shall be published,
13 in accordance with procedures determined by the
14 Commissioner, promptly after the expiration of a pe-
15 riod of 18 months from 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 Commissioner determines.

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

1 “(2) EXCEPTIONS.—(A) An application shall
2 not be published if that application is—

3 “(i) no longer pending;

4 “(ii) subject to a secrecy order pursuant to
5 section 181 of this title;

6 “(iii) a provisional application filed under
7 section 111(b) of this title; or

8 “(iv) an application for a design patent
9 filed under chapter 16 of this title.

10 “(B)(i) Where an applicant makes a request
11 upon filing, certifying that the invention disclosed in
12 the application has not and will not be the subject
13 of an application filed in another country, or under
14 a multilateral international agreement, that requires
15 publication of applications 18 months after filing,
16 the application shall not be published as provided in
17 paragraph (1).

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

20 “(iii) An applicant who has made a request
21 under clause (i) but who subsequently files, in a for-
22 eign country or under a multilateral international
23 agreement specified in clause (i), an application di-
24 rected to the invention disclosed in the application
25 filed in the Patent and Trademark Office, shall no-

1 tify the Commissioner of such filing not later than
2 45 days after the date of the filing of such foreign
3 or international application. A failure of the appli-
4 cant to provide such notice within the prescribed pe-
5 riod shall result in the application being regarded as
6 abandoned, unless it is shown to the satisfaction of
7 the Commissioner that the delay in submitting the
8 notice was unintentional.

9 “(iv) Where an applicant rescinds a request
10 made under clause (i) or notifies the Commissioner
11 that an application was filed in a foreign country or
12 under a multilateral international agreement speci-
13 fied in clause (i), the application shall be published
14 in accordance with the provisions of paragraph (1)
15 on or as soon as is practical after the date that is
16 specified in clause (i).

17 “(v) If an applicant has filed applications in
18 one or more foreign countries, directly or through a
19 multilateral international agreement, and such for-
20 eign filed applications corresponding to an applica-
21 tion filed in the Patent and Trademark Office or the
22 description of the invention in such foreign filed ap-
23 plications is less extensive than the application or
24 description of the invention in the application filed
25 in the Patent and Trademark Office, the applicant

1 may submit a redacted copy of the application filed
2 in the Patent and Trademark Office eliminating any
3 part or description of the invention in such applica-
4 tion that is not also contained in any of the cor-
5 responding applications filed in a foreign country.
6 The Commissioner may only publish the redacted
7 copy of the application unless the redacted copy of
8 the application is not received within 16 months
9 after the earliest effective filing date for which a
10 benefit is sought under this title. The provisions of
11 section 154(d) shall not apply to a claim if the de-
12 scription of the invention published in the redacted
13 application filed under this clause with respect to the
14 claim does not enable a person skilled in the art to
15 make and use the subject matter of the claim.

16 “(c) PROTEST AND PRE-ISSUANCE OPPOSITION.—
17 The Commissioner shall establish appropriate procedures
18 to ensure that no protest or other form of pre-issuance
19 opposition to the grant of a patent on an application may
20 be initiated after publication of the application without the
21 express written consent of the applicant.

22 “(d) NATIONAL SECURITY.—No application for pat-
23 ent shall be published under subsection (b)(1) where the
24 publication or disclosure of such invention would be detri-
25 mental to the national security. The Commissioner shall

1 establish appropriate procedures to ensure that such appli-
2 cations are promptly identified and the secrecy of such in-
3 ventions is maintained in accordance with chapter 17 of
4 this title.”.

5 (b) STUDY.—

6 (1) IN GENERAL.—The General Accounting Of-
7 fice shall conduct a 3-year study of the applicants
8 who file only in the United States after the effective
9 date of this title and shall provide the results of such
10 study to the Judiciary Committees of the House of
11 Representatives and the Senate.

12 (2) CONTENTS.—The study conducted under
13 paragraph (1) shall—

14 (A) consider the number of such applicants
15 in relation to the number of applicants who file
16 in the United States and outside the United
17 States;

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

20 (C) examine how many such filers rescind
21 that request or later choose to file abroad;

22 (D) examine the status of the entity seek-
23 ing an application and any correlation that may
24 exist between such status and the publication of
25 patent applications; and

1 (E) examine the abandonment/issuance ra-
2 tios and length of application pendency before
3 patent issuance or abandonment for published
4 versus unpublished applications.

5 **SEC. 503. TIME FOR CLAIMING BENEFIT OF EARLIER FIL-**
6 **ING DATE.**

7 (a) IN A FOREIGN COUNTRY.—Section 119(b) of title
8 35, United States Code, is amended to read as follows:

9 “(b)(1) No application for patent shall be entitled to
10 this right of priority unless a claim is filed in the Patent
11 and Trademark Office, identifying the foreign application
12 by specifying the application number on that foreign appli-
13 cation, the intellectual property authority or country in or
14 for which the application was filed, and the date of filing
15 the application, at such time during the pendency of the
16 application as required by the Commissioner.

17 “(2) The Commissioner may consider the failure of
18 the applicant to file a timely claim for priority as a waiver
19 of any such claim. The Commissioner may establish proce-
20 dures, including the payment of a surcharge, to accept an
21 unintentionally delayed claim under this section.

22 “(3) The Commissioner may require a certified copy
23 of the original foreign application, specification, and draw-
24 ings upon which it is based, a translation if not in the
25 English language, and such other information as the Com-

1 missioner considers necessary. Any such certification shall
2 be made by the foreign intellectual property authority in
3 which the foreign application was filed and show the date
4 of the application and of the filing of the specification and
5 other papers.”.

6 (b) IN THE UNITED STATES.—

7 (1) IN GENERAL.—Section 120 of title 35,
8 United States Code, is amended by adding at the
9 end the following: “No application shall be entitled
10 to the benefit of an earlier filed application under
11 this section unless an amendment containing the
12 specific reference to the earlier filed application is
13 submitted at such time during the pendency of the
14 application as required by the Commissioner. The
15 Commissioner may consider the failure to submit
16 such an amendment within the time period as a
17 waiver of any benefit under this section. The Com-
18 missioner may establish procedures, including the
19 payment of a surcharge, to accept an unintentionally
20 delayed submission of an amendment under this sec-
21 tion.”.

22 (2) RIGHT OF PRIORITY.—Section 119(e)(1) of
23 title 35, United States Code, is amended by adding
24 at the end the following: “No application shall be en-
25 titled to the benefit of an earlier filed provisional ap-

1 plication under this subsection unless an amendment
 2 containing the specific reference to the earlier filed
 3 provisional application is submitted at such time
 4 during the pendency of the application as required
 5 by the Commissioner. The Commissioner may con-
 6 sider the failure to submit such an amendment with-
 7 in that time period as a waiver of any benefit under
 8 this subsection. The Commissioner may establish
 9 procedures, including the payment of a surcharge, to
 10 accept an unintentionally delayed submission of an
 11 amendment under this subsection during the pend-
 12 ency of the application.”.

13 **SEC. 504. PROVISIONAL RIGHTS.**

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

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

18 (2) by adding at the end the following new sec-
 19 tion:

20 “(d) PROVISIONAL RIGHTS.—

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

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

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

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

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

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

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

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

17 “(A) EFFECTIVE DATE.—The right under
18 paragraph (1) to obtain a reasonable royalty
19 based upon the publication under the treaty de-
20 fined in section 351(a) of an international ap-
21 plication designating the United States shall
22 commence on the date on which the Patent and
23 Trademark Office receives a copy of the publi-
24 cation under the treaty of the international ap-
25 plication, or, if the publication under the treaty

1 of the international application is in a language
2 other than English, on the date on which the
3 Patent and Trademark Office receives a trans-
4 lation of the international application in the
5 English language.

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

10 **SEC. 505. PRIOR ART EFFECT OF PUBLISHED APPLICA-**
11 **TIONS.**

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

14 “(e) the invention was described in—

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

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

8 **SEC. 506. COST RECOVERY FOR PUBLICATION.**

9 The Commissioner of Patents and Trademarks shall
 10 recover the cost of early publication required by the
 11 amendment made by section 502 by charging a separate
 12 publication fee after notice of allowance is given pursuant
 13 to section 151 of title 35, United States Code.

14 **SEC. 507. 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 items relating to sections 12 and 13 in
 6 the table of sections for chapter 1 are each amended
 7 by inserting “and applications” after “patents”.

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

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

15 (7) Section 181 is amended—

16 (A) in the first undesignated paragraph—

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

19 (ii) by inserting “the publication of
 20 the application or” after “withhold”;

21 (B) in the second undesignated paragraph
 22 by inserting “by the publication of an applica-
 23 tion or” after “disclosure of an invention”;

24 (C) in the third undesignated paragraph—

1 (i) by inserting “by the publication of
2 the application or” after “disclosure of the
3 invention”; and

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

6 (D) in the fourth undesignated paragraph
7 by inserting “the publication of an application
8 or” after “and” in the first sentence.

9 (8) Section 252 is amended in the first undesig-
10 nated paragraph by inserting “substantially” before
11 “identical” each place it appears.

12 (9) Section 284 is amended by adding at the
13 end of the second undesignated paragraph the fol-
14 lowing: “Increased damages under this paragraph
15 shall not apply to provisional rights under section
16 154(d) of this title.”.

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

18 **“§ 374. Publication of international application**

19 “The publication under the treaty defined in section
20 351(a) of this title, of an international application desig-
21 nating the United States shall confer the same rights and
22 shall have the same effect under this title as an application
23 for patent published under section 122(b), except as pro-
24 vided in sections 102(e) and 154(d) of this title.”.

25 (11) Section 135(b) is amended—

1 (A) by inserting “(1)” after “(b)”; and

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

3 “(2) A claim which is the same as, or for the same
4 or substantially the same subject matter as, a claim of
5 an application published pursuant to section 122(b) of this
6 title may be made in an application filed after the applica-
7 tion is published only if the claim is made before 1 year
8 after the date on which the application is published.”.

9 **SEC. 508. EFFECTIVE DATE.**

10 Sections 502 through 507, and the amendments
11 made by such sections, shall take effect on the date that
12 is 1 year after the date of enactment of this Act and shall
13 apply to all applications filed under section 111 of title
14 35, United States Code, on or after that date, and all ap-
15 plications complying with section 371 of title 35, United
16 States Code, that resulted from international applications
17 filed on or after that date. The amendments made by sec-
18 tions 504 and 505 shall apply to any such application vol-
19 untarily published by the applicant under procedures es-
20 tablished under this title that is pending on the date that
21 is 1 year after the date of the enactment of this Act. The
22 amendment made by section 504 shall also apply to inter-
23 national applications designating the United States that
24 are filed on or after the date that is 1 year after the date
25 of the enactment of this Act.

1 **TITLE VI—OPTIONAL INTER**
 2 **PARTES REEXAMINATION**
 3 **PROCEDURE**

4 **SEC. 601. SHORT TITLE.**

5 This title may be cited as the “Optional Inter Partes
 6 Reexamination Procedure Act of 1999”.

7 **SEC. 602. EX PARTE REEXAMINATION OF PATENTS.**

8 Chapter 30 of title 35, United States Code, is amend-
 9 ed in the title by inserting “**EX PARTE**” before “**RE-**
 10 **EXAMINATION OF PATENTS**”.

11 **SEC. 603. DEFINITIONS.**

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

15 “(e) The term ‘third-party requester’ means a person
 16 requesting ex parte reexamination under section 302 or
 17 inter partes reexamination under section 311 who is not
 18 the patent owner.”.

19 **SEC. 604. OPTIONAL INTER PARTES REEXAMINATION PRO-**
 20 **CEDURES.**

21 (a) **IN GENERAL.**—Part 3 of title 35, United States
 22 Code, is amended by adding after chapter 30 the following
 23 new chapter:

1 **“CHAPTER 31—OPTIONAL INTER PARTES**
 2 **REEXAMINATION PROCEDURES**

“Sec.

“311. Request for inter partes reexamination.

“312. Determination of issue by Commissioner.

“313. Inter partes reexamination order by Commissioner.

“314. Conduct of inter partes reexamination proceedings.

“315. Appeal.

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

“317. Inter partes reexamination prohibited.

“318. Stay of litigation.

3 **“§ 311. Request for inter partes reexamination**

4 “(a) IN GENERAL.—Any person at any time may file
 5 a request for inter partes reexamination by the Office of
 6 a patent on the basis of any prior art cited under the pro-
 7 visions of section 301.

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

9 “(1) be in writing, include the identity of the
 10 real party in interest, and be accompanied by pay-
 11 ment of an inter partes reexamination fee estab-
 12 lished by the Commissioner under section 41; and

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

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

1 **“§ 312. Determination of issue by Commissioner**

2 “(a) REEXAMINATION.—Not later than 3 months
3 after the filing of a request for inter partes reexamination
4 under section 311, the Commissioner shall determine
5 whether a substantial new question of patentability affect-
6 ing any claim of the patent concerned is raised by the re-
7 quest, with or without consideration of other patents or
8 printed publications. On the Commissioner’s initiative,
9 and at any time, the Commissioner may determine wheth-
10 er a substantial new question of patentability is raised by
11 patents and publications.

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

17 “(c) FINAL DECISION.—A determination by the
18 Commissioner pursuant to subsection (a) shall be final
19 and non-appealable. Upon a determination that no sub-
20 stantial new question of patentability has been raised, the
21 Commissioner may refund a portion of the inter partes
22 reexamination fee required under section 311.

23 **“§ 313. Inter partes reexamination order by Commis-**
24 **sioner**

25 “If, in a determination made under section 312(a),
26 the Commissioner finds that a substantial new question

1 of patentability affecting a claim of a patent is raised, the
2 determination shall include an order for inter partes reex-
3 amination of the patent for resolution of the question. The
4 order may be accompanied by the initial action of the Pat-
5 ent and Trademark Office on the merits of the inter partes
6 reexamination conducted in accordance with section 314.

7 **“§ 314. Conduct of inter partes reexamination pro-**
8 **ceedings**

9 “(a) IN GENERAL.—Subject to subsection (b), reex-
10 amination shall be conducted according to the procedures
11 established for initial examination under the provisions of
12 sections 132 and 133, except as provided for under this
13 section. In any inter partes reexamination proceeding
14 under this chapter, the patent owner shall be permitted
15 to propose any amendment to the patent and a new claim
16 or claims, except that no proposed amended or new claim
17 enlarging the scope of the claims of the patent shall be
18 permitted.

19 “(b) RESPONSE.—(1) This subsection shall apply to
20 any inter partes reexamination proceeding in which the
21 order for inter partes reexamination is based upon a re-
22 quest by a third-party requester.

23 “(2) With the exception of the inter partes reexam-
24 ination request, any document filed by either the patent
25 owner or the third-party requester shall be served on the

1 other party. In addition, the third-party requester shall
 2 receive a copy of any communication sent by the Office
 3 to the patent owner concerning the patent subject to the
 4 inter partes reexamination proceeding.

5 “(3) Each time that the patent owner files a response
 6 to an action on the merits from the Patent and Trademark
 7 Office, the third-party requester shall have one oppor-
 8 tunity to file written comments addressing issues raised
 9 by the action of the Office or the patent owner’s response
 10 thereto, if those written comments are received by the Of-
 11 fice within 30 days after the date of service of the patent
 12 owner’s response.

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

18 **“§ 315. Appeal**

19 “(a) PATENT OWNER.—The patent owner involved in
 20 an inter partes reexamination proceeding under this
 21 chapter—

22 “(1) may appeal under the provisions of section
 23 134 and may appeal under the provisions of sections
 24 141 through 144, with respect to any decision ad-

1 verse to the patentability of any original or proposed
2 amended or new claim of the patent; and

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

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

7 “(1) appeal under the provisions of section 134
8 with respect to any final decision favorable to the
9 patentability of any original or proposed amended or
10 new claim of the patent; or

11 “(2) be a party to any appeal taken by the pat-
12 ent owner under the provisions of section 134, sub-
13 ject to subsection (c).

14 “(c) CIVIL ACTION.—A third-party requester whose
15 request for an inter partes reexamination results in an
16 order under section 313 is estopped from asserting at a
17 later time, in any civil action arising in whole or in part
18 under section 1338 of title 28, the invalidity of any claim
19 finally determined to be valid and patentable on any
20 ground which the third-party requester raised or could
21 have raised during the inter partes reexamination pro-
22 ceedings. This subsection does not prevent the assertion
23 of invalidity based on newly discovered prior art unavail-
24 able to the third-party requester and the Patent and

1 Trademark Office at the time of the inter partes reexam-
2 ination proceedings.

3 **“§ 316. Certificate of patentability, unpatentability,**
4 **and claim cancellation**

5 “(a) IN GENERAL.—In an inter partes reexamination
6 proceeding under this chapter, when the time for appeal
7 has expired or any appeal proceeding has terminated, the
8 Commissioner shall issue and publish a certificate can-
9 celing any claim of the patent finally determined to be
10 unpatentable, confirming any claim of the patent deter-
11 mined to be patentable, and incorporating in the patent
12 any proposed amended or new claim determined to be pat-
13 entable.

14 “(b) AMENDED OR NEW CLAIM.—Any proposed
15 amended or new claim determined to patentable and incor-
16 porated into a patent following an inter partes reexamina-
17 tion proceeding shall have the same effect as that specified
18 in section 252 of this title for reissued patents on the right
19 of any person who made, purchased, or used within the
20 United States, or imported into the United States, any-
21 thing patented by such proposed amended or new claim,
22 or who made substantial preparation for the same, prior
23 to issuance of a certificate under the provisions of sub-
24 section (a) of this section.

1 **“§ 317. Inter partes reexamination prohibited**

2 “(a) ORDER FOR REEXAMINATION.—Notwith-
3 standing any provision of this chapter, once an order for
4 inter partes reexamination of a patent has been issued
5 under section 313, neither the patent owner nor the third-
6 party requester, if any, nor privies of either, may file a
7 subsequent request for inter partes reexamination of the
8 patent until an inter partes reexamination certificate is
9 issued and published under section 316, unless authorized
10 by the Commissioner.

11 “(b) FINAL DECISION.—Once a final decision has
12 been entered against a party in a civil action arising in
13 whole or in part under section 1338 of title 28 that the
14 party has not sustained its burden of proving the invalidity
15 of any patent claim in suit or if a final decision in an
16 inter partes reexamination proceeding instituted by a
17 third-party requester is favorable to the patentability of
18 any original or proposed amended or new claim of the pat-
19 ent then neither that party nor its privies may thereafter
20 request inter partes reexamination of any such patent
21 claim on the basis of issues which that party or its privies
22 raised or could have raised in such civil action or inter
23 partes reexamination proceeding, and an inter partes reex-
24 amination requested by that party or its privies on the
25 basis of such issues may not thereafter be maintained by
26 the Office, notwithstanding any other provision of this

1 chapter. This subsection does not prevent the assertion of
 2 invalidity based on newly discovered prior art unavailable
 3 to the third-party requester and the Patent and Trade-
 4 mark Office at the time of the inter partes reexamination
 5 proceedings.

6 **“§ 318. Stay of litigation**

7 “Once an order for inter partes reexamination of a
 8 patent has been issued under section 313, the patent
 9 owner may obtain a stay of any pending litigation which
 10 involves an issue of patentability of any claims of the pat-
 11 ent which are the subject of the inter partes reexamination
 12 order, unless the court before which such litigation is
 13 pending determines that a stay would not serve the inter-
 14 ests of justice.”.

15 (b) CONFORMING AMENDMENTS.—The table of chap-
 16 ters for part III of title 25, United States Code, is amend-
 17 ed by striking the item relating to chapter 30 and insert-
 18 ing the following:

“30. Prior Art Citations to Office and Ex Parte Reexam- ination of Patents	301
“31. Optional Inter Partes Reexamination of Patents	311”.

19 **SEC. 605. CONFORMING AMENDMENTS.**

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

23 “(7) On filing each petition for the revival of an
 24 unintentionally abandoned application for a patent,

1 for the unintentionally delayed payment of the fee
2 for issuing each patent, or for an unintentionally de-
3 layed response by the patent owner in any reexam-
4 ination proceeding, \$1,210, unless the petition is
5 filed under section 133 or 151 of this title, in which
6 case the fee shall be \$110.”.

7 (b) APPEAL TO THE BOARD OF PATENTS APPEALS
8 AND INTERFERENCES.—Section 134 of title 35, United
9 States Code, is amended to read as follows:

10 **“§ 134. Appeal to the Board of Patent Appeals and**
11 **Interferences**

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

17 “(b) PATENT OWNER.—A patent owner in any reex-
18 amination proceeding may appeal from the final rejection
19 of any claim by the primary examiner to the Board of Pat-
20 ent Appeals and Interferences, having once paid the fee
21 for such appeal.

22 “(c) THIRD-PARTY.—A third-party requester in an
23 inter partes proceeding may appeal to the Board of Patent
24 Appeals and Interferences from the final decision of the
25 primary examiner favorable to the patentability of any

1 original or proposed amended or new claim of a patent,
 2 having once paid the fee for such appeal. The third-party
 3 requester may not appeal the decision of the Board of Pat-
 4 ent Appeals and Interferences.”.

5 (c) APPEAL TO COURT OF APPEALS FOR THE FED-
 6 ERAL CIRCUIT.—Section 141 of title 35, United States
 7 Code, is amended by adding the following after the second
 8 sentence: “A patent owner in any reexamination pro-
 9 ceeding dissatisfied with the final decision in an appeal
 10 to the Board of Patent Appeals and Interferences under
 11 section 134 may appeal the decision only to the United
 12 States Court of Appeals for the Federal Circuit.”.

13 (d) PROCEEDINGS ON APPEAL.—Section 143 of title
 14 35, United States Code, is amended by amending the third
 15 sentence to read as follows: “In any reexamination cases,
 16 the Commissioner shall submit to the court in writing the
 17 grounds for the decision of the Patent and Trademark Of-
 18 fice, addressing all the issues involved in the appeal.”.

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

22 **SEC. 606. REPORT TO CONGRESS.**

23 Not later than 5 years after the effective date of this
 24 title, the Commissioner of Patents and Trademarks shall
 25 submit to the Congress a report evaluating whether the

1 inter partes reexamination proceedings established under
2 the amendments made by this title are inequitable to any
3 of the parties in interest and, if so, the report shall contain
4 recommendations for changes to the amendments made by
5 this title to remove such inequity.

6 **SEC. 607. ESTOPPEL EFFECT OF REEXAMINATION.**

7 Any party who requests an inter partes reexamina-
8 tion under section 311 of title 35, United States Code,
9 is estopped from challenging at a later time, in any civil
10 action, any fact determined during the process of such re-
11 examination, except with respect to a fact determination
12 later proved to be erroneous based on information unavail-
13 able at the time of the inter partes reexamination decision.
14 If this section is held to be unenforceable, the enforce-
15 ability of the rest of this title or of this Act shall not be
16 denied as a result.

17 **SEC. 608. EFFECTIVE DATE.**

18 This title and the amendments made by this title
19 shall take effect on the date that is 1 year after the date
20 of the enactment of this Act and shall apply to inter partes
21 reexamination requests filed on or after such date.

TITLE VII—MISCELLANEOUS PATENT PROVISIONS

SEC. 701. PROVISIONAL APPLICATIONS.

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

“(5) ABANDONMENT.—Notwithstanding the absence of a claim, upon timely request and as prescribed by the Commissioner, a provisional application may be treated as an application filed under subsection (a). Subject to section 119(e)(3) of this title, if no such request is made, the provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival after such 12-month period.”.

(b) TECHNICAL AMENDMENT RELATING TO WEEK-ENDS AND HOLIDAYS.—Section 119(e) of title 35, United States Code, is amended by adding at the end the following:

“(3) If the day that is 12 months after the filing date of a provisional application falls on a Saturday, Sunday, or Federal holiday within the District of Columbia, the period of pendency of the provisional application shall be extended to the next succeeding secular or business day.”.

1 (c) ELIMINATION OF COPENDENCY REQUIRE-
 2 MENT.—Section 119(e)(2) of title 35, United States Code,
 3 is amended by striking “and the provisional application
 4 was pending on the filing date of the application for patent
 5 under section 111(a) or section 363 of this title”.

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

14 **SEC. 702. INTERNATIONAL APPLICATIONS.**

15 Section 119 of title 35, United States Code, is
 16 amended as follows—

17 (1) In subsection (a), insert “or in a WTO
 18 member country,” after “or citizens of the United
 19 States,”.

20 (2) At the end of section 119 add the following
 21 new subsections:

22 “(f) Applications for plant breeder’s rights filed in
 23 a WTO member country (or in a foreign UPOV Con-
 24 tracting Party) shall have the same effect for the purpose
 25 of the right of priority under subsections (a) through (c)

1 of this section as applications for patents, subject to the
 2 same conditions and requirements of this section as apply
 3 to applications for patents.

4 “(g) As used in this section—

5 “(1) the term ‘WTO member country’ has the
 6 same meaning as the term is defined in section
 7 104(b)(2) of this title; and

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

11 **SEC. 703. CERTAIN LIMITATIONS ON DAMAGES FOR PAT-**
 12 **ENT INFRINGEMENT NOT APPLICABLE.**

13 Section 287(c)(4) of title 35, United States Code, is
 14 amended by striking “before the date of enactment of this
 15 subsection” and inserting “based on an application the
 16 earliest effective filing date of which is prior to September
 17 30, 1996”.

18 **SEC. 704. ELECTRONIC FILING AND PUBLICATIONS.**

19 (a) **PRINTING OF PAPERS FILED.**—Section 22 of title
 20 35, United States Code, is amended by striking “printed
 21 or typewritten” and inserting “printed, typewritten, or on
 22 an electronic medium”.

23 (b) **PUBLICATIONS.**—Section 11(a) of title 35, United
 24 States Code, is amended by amending the matter pre-
 25 ceding paragraph 1 to read as follows:

1 “(a) The Commissioner may publish in printed, type-
2 written, or electronic form, the following:”.

3 (c) COPIES OF PATENTS FOR PUBLIC LIBRARIES.—
4 Section 13 of title 35, United States Code, is amended
5 by striking “The Commissioner may supply printed copies
6 of specifications and drawings of patents” and inserting
7 “The Commissioner may supply copies of specifications
8 and drawings of patents in printed or electronic form”.

9 (d) MAINTENANCE OF COLLECTIONS.—

10 (1) Section 41(i)(1) of title 35, United States
11 Code, is amended by striking “The Commissioner
12 shall maintain, for use by the public, paper or
13 microform” and inserting “The Commissioner shall
14 maintain, for use by the public, paper, microform, or
15 electronic”.

16 (2) The Commissioner shall not, pursuant to
17 the amendment made by paragraph (1), cease to
18 maintain, for use by the public, paper or microform
19 collections of United States patents, foreign patent
20 documents, and United States trademark registra-
21 tions, except pursuant to notice and opportunity for
22 public comment and except the Commissioner shall
23 first submit a report to the Committees on the Judi-
24 ciary of the Senate and the House of Representa-
25 tives detailing such plan, including a description of

1 the mechanisms in place to ensure the integrity of
2 such collections and the data contained therein, as
3 well as to ensure prompt public access to the most
4 current available information, and certifying that the
5 implementation of such plan will not negatively im-
6 pact the public.

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 Commis-
12 sioner of Patents and Trademarks, shall conduct a study
13 and submit a report to Congress on the potential risks
14 to the United States biotechnology industry relating to bi-
15 ological deposits in support of biotechnology patents.

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

18 (1) an examination of the risk of export and the
19 risk of transfers to third parties of biological depos-
20 its, and the risks posed by the change to 18-month
21 publication requirements made by this Act;

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

24 (3) any related recommendations.

1 (c) CONSIDERATION OF REPORT.—In drafting regu-
2 lations affecting biological deposits (including any modi-
3 fication of title 37, Code of Federal Regulations, section
4 1.801 et seq.), the Patent and Trademark Office shall con-
5 sider the recommendations of the study conducted under
6 this section.

7 **SEC. 706. PRIOR INVENTION.**

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

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

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

10 **SEC. 708. EXCHANGE OF COPIES OF PATENTS WITH FOR-**
11 **EIGN COUNTRIES.**

12 Section 12 of title 35, United States Code, is amend-
13 ed by adding at the end the following: “The Commissioner
14 shall not enter into an agreement to provide such copies
15 of specifications and drawings of United States patents
16 and applications to a foreign country, other than a
17 NAFTA country or a WTO member country, without the
18 express authorization of the Secretary of Commerce. For
19 purposes of this section, the terms ‘NAFTA country’ and
20 ‘WTO member country’ have the meanings given those
21 terms in section 104(b).”.

22 **SEC. 709. NATIONAL SECURITY.**

23 Section 6 of title 35, United States Code, is amended
24 by adding at the end the following new subsection:

25 “(d) The Commissioner, in consultation with the Di-
26 rector of the Office of Personnel Management, shall main-

1 tain a program for identifying national security positions
2 and providing for appropriate security clearances, in order
3 to maintain the secrecy of certain inventions, as described
4 in section 181, and to prevent disclosure of sensitive and
5 strategic information in the interest of national security.”.

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