and dilution protection is only available on a patch-quilt system of protection. Further, some courts are reluctant to grant nationwide injunctions for violation of State law where half of the States have no dilution law. Protection for famous marks should not depend on whether the forum where suit is filed has a dilution statute. This simply encourages forum-shopping and increases the amount of litigation.

H.R. 1295 would amend section 43 of the Trademark Act to add a new subsection (c) to provide protection against another's commercial use of a famous mark which result in dilution of such mark. The bill defines the term ''dilution'' to mean ''the lessening of the capacity of registrant's mark to identify and distinguish goods or services of the presence or absence of (a) competition between the parties, or (b) likelihood of confusion, mistake, or deception.''

The proposal adequately addresses legitimate first amendment concerns espoused by the broadcasting industry and the media. The bill would not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of expression that are not a part of a commercial transaction. The bill includes specific language exempting from liability the ''fair use'' of a mark in the context of comparative commercial advertising or promotion and all forms of news reporting and news commentary.

The legislation sets forth a number of specific criteria in determining whether a mark has acquired the level of distinctiveness to be considered famous. These criteria include: First, the degree of inherent or acquired distinctiveness of the mark; second, the duration and extent of the use of the mark; and third, the geographical extent of the trading area in which the mark is used.

With respect to remedies, the bill limits the relief a court could award to an injunction unless the wrongdoer willfully intended to trade on the trademark owner's reputation or to cause dilution, in which case other remedies under the Trademark Act become available. The ownership of a valid Federal registration would act as a complete bar to a dilution action brought under State law.

Mr. Speaker, H.R. 1295 is strongly supported by the U.S. Patent and Trademark Office, the International Trademark Association; the American Bar Association; Time Warner; the Campbell Soup Co.; the Samsonite Corp., and many other U.S. companies, small businesses, and individuals. It is solid legislation and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the Intellectual Property Subcommittee chairman, the gentleman from California, in support of H.R. 1295, the Trademark Dilution Act. In particular, I am pleased that the bill before us today includes an amendment I offered in subcommittee to extend the Federal remedy against trademark dilution to unregistered as well as registered famous marks.

At our hearing on H.R. 1295, the administration made a compelling case that limiting the Federal remedy against trademark dilution to those famous marks that are registered is not within the spirit of the United States position as a leader setting the standards for strong worldwide protection of intellectual property. Such a limitation would undercut the United States' position with our trading partners, which is that famous marks should be protected regardless of whether the marks are registered in the country where protection is sought.

In all of our work this year, the Intellectual Property Subcommittee has been strongly committed to making sure that the United States is a leader in setting high standards worldwide for the protection of intellectual property. This bill is fully within that tradition, and will strengthen our hand in our negotiations with our trading partners.

It is also important to recognize, as the Patent and Trademark Office pointed out in its testimony, that existing precedent does not distinguish between registered and unregistered marks in determining whether a mark is entitled to protection as a famous mark. To the extent that dilution has been a remedy available to the owner of a trademark or service mark in the United States under State statutes and the common law, that remedy has not been limited only to registered marks. So it really doesn't make any sense, if we are going to create a Federal statute on trademark dilution, to limit the remedy to registered marks.

For these reasons, I am happy that the bill before us today includes a strong Federal remedy for trademark dilution, not only with respect to registered marks, but also with respect to unregistered famous marks. I urge my colleagues to support this bill.

Mr. Speaker, I have no further speakers on this bill, so I yield back the balance of my time.

Mr. MOORHEAD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. EWING). The question is on the motion of the gentleman from California [Mr. MOORHEAD] that the House suspend the rules and pass the bill, H.R. 1295, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ENHANCING FAIRNESS IN COMPENSATING OWNERS OF PATENTS USED BY THE UNITED STATES

Mr. MOORHEAD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 632) to enhance fairness in compensating owners of patents used by the United States, as amended.

The Clerk read as follows:

H.R. 632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JUST COMPENSATION.

(a) AMENDMENT.—Section 1498(a) of title 28, United States Code, is amended by adding at the end of the first paragraph the following: ''Reasonable and entire compensation shall include the owner's reasonable costs, including reasonable fees for expert witnesses and attorneys, in pursuing the action if the owner is an independent inventor, a nonprofit organization, or an entity that had no more than 500 employees at any time during the 5-year period preceding the use or manufacture of the patented invention by or for the United States. Reasonable and entire compensation described in the preceding sentence shall not be paid from amounts available under section 1304 of title 31, but shall be payable subject to such extent or in such amounts as are provided in annual appropriations Acts.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to actions under section 1498(a) of title 28, United States Code, that are pending on, or brought on or after, January 1, 1995.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes, and the gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 632, a bill to enhance fairness in compensating owners of patents used by the United States. I ask unanimous consent to revise and extend my remarks and yield myself as much time as I may consume. An amended version of this bill is presented for passage under suspension of the rules. The amendment to the reported bill reflects technical changes which conform to suggestions given after consideration of the bill by the Committee on the Budget.

I would like to thank the ranking member of the Subcommittee on Courts and Intellectual Property, the gentlewoman from Colorado [Mrs. SCHROEDER], for her efforts in bringing this bill before the subcommittee and for her work on the important issue of

attorney's fees in patent cases brought against the United States. I would also like to thank the gentleman from Texas [Mr. FROST] for introducing this bill. It was brought to light by one of his constituents, Standard Manufacturing Co. His and Mrs. SCHROEDER's willingness to work on a bipartisan basis to bring this bill to the floor has resulted in a careful and narrow bill specifically addressing the problem at hand. So I congratulate the gentleman from Texas [Mr. FROST] and gentlewoman from Colorado [Mrs. SCHROEDER] for their effort and cooperation.

H.R. 632 is an effort to help small businesses recover some of the legal costs associated with defending their patents when the Federal Government takes and uses them, since small businesses many times cannot afford expensive legal defense fees associated with defending their patents against Government expropriation. The bill applies to patent owners who are independent inventors, nonprofit organizations, or entities with less than 500 employees.

As the law stands, damages do not include attorney's fees and costs. H.R. 632 is a fee-shifting statute that will reimburse a plaintiff's reasonable cost of bringing suit when the Government takes its patent. Congress has already provided for fee-shifting in other property takings cases. This bill extends that concept to patent cases, where a plaintiff's intellectual property has been taken.

This bill is consistent with the legal reform provisions of the Contract With America by extending the loser pays rule to cases where a patent owner is forced to litigate to recover for the infringement of his or her patent. It complements legislation I introduced, H.R. 988, which passed the House last spring, in extending the rule of fairness to cases where the Government is held liable. An identical bill, S. 880, has been introduced in the Senate by Senator KAY BAILEY HUTCHISON.

I urge my colleagues to vote in favor of this bipartisan bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the subcommittee chairman in supporting H.R. 632. This bill is critical to the protection of the property rights of the independent inventor, nonprofit organizations, and small businesses.

Current law provides for a patent owner to receive ''reasonable and entire compensation'' whenever an invention covered by a patent is used or manufactured by or for the United States without license of the owner or without lawful right. But if the patent owner has to bear the costs of litigation to recover compensation for the Government's use of its patent, the owner really isn't getting entire compensation. That is the gap that this legislation will fill.

This bill doesn't just serve to protect the property rights of the private property owner, however; it also ultimately serves the interests of the U.S. Government. Without this bill, companies have little incentive to spend their intellectual resources to help the Government solve its technical problems. As a member of the National Security Committee, I am well aware of some of the circumstances where companies can help us solve technical problems and thus add to our military capabilities, and this bill will be of great help in that regard.

I thank the subcommittee chairman, the gentleman from California, for his efforts on behalf of this bill. I urge my colleagues to support this important bill protecting the property rights of patent owners.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. FROST].

Mr. Speaker, the gentleman is the primary sponsor of this bill, and he has been absolutely dogged in pursuing this. I congratulate him for persevering and I congratulate him on what I think will soon be a victory on this bill. I think all Members will be very happy to have this behind us.

Mr. FROST. Mr. Speaker, first of all, I would like to thank the gentleman from California [Mr. MOORHEAD] and the gentlewoman from Colorado [Mrs. SCHROEDER] for bringing this bill to the floor and for moving it forward at this time. I sincerely appreciate their efforts on behalf of this piece of legislation.

Mr. Speaker, I rise in support of H.R. 632, a bill long overdue for inventors and small businesses in this country. H.R. 632 will enhance fairness in compensating owners of patents that were used by the U.S. Government.

Inventors whose patents are taken for use by the Federal Government have only one way to obtain payment—they are compelled by statute to bring a lawsuit against the Government to recover their fair compensation. Because of the lack of explicit language in the current statute, they are forced to bear all the costs of the lawsuit even when they win their case. Many small inventors and businesses have been unfairly hurt by this situation. H.R. 632 will permit such inventors to be reimbursed for their reasonable costs.

This bill would expressly authorize the recovery of reasonable costs by a small business or inventor who is forced by statute to litigate against the Government in order to obtain compensation. In each case, though, the costs would be scrutinized by the Claims Court to assure that they were reasonable, but to the extent they were reasonable, they could be recovered.

This problem should have been corrected long ago—when it first became apparent that court interpretations would not permit inventors to obtain a complete recovery. To continue this inequity would be a serious disservice to some of our most productive inventors in fundamentally important industries. We need to be fair with those inventors in order to encourage innovation and make our country more competitive. H.R. 632 would help assure the necessary fairness.

I urge my colleagues to join me today fixing this inequity and support H.R. 632.

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Mr. MOORHEAD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. EWING). The question is on the motion offered by the gentleman from California [Mr. MOORHEAD] that the House suspend the rules and pass the bill, H.R. 632, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 632, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SEXUAL CRIMES AGAINST CHILDREN PREVENTION ACT OF 1995

Mr. MCCOLLUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1240) to combat crime by enhancing the penalties for certain sexual crimes against children, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate Amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Sex Crimes Against Children Prevention Act of 1995''.

SEC. 2. INCREASED PENALTIES FOR CERTAIN CONDUCT INVOLVING THE SEXUAL EXPLOITATION OF CHILDREN.

The United States Sentencing Commission shall amend the sentencing guidelines to—

(1) increase the base offense level for an offense under section 2251 of title 18, United States Code, by at lest 2 levels; and

(2) increase the base offense level for an offense under section 2252 of title 18, United States Code, by at least 2 levels.

SEC. 3. INCREASED PENALTIES FOR USE OF COMPUTERS IN SEXUAL EXPLOITATION OF CHILDREN.

The United States Sentencing Commission shall amend the sentencing guidelines to increase the base offense level by at least 2 levels for an offense committed under section 2251(c)(1)(A) or 2252(a) of title 18, United