

99TH CONGRESS  
2D SESSION

# H. R. 4899

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18 (legislative day, SEPTEMBER 15), 1986

Received; read twice and ordered held at the desk

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## AN ACT

To amend title 35, United States Code, with respect to patented processes and the patent cooperation treaty.

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 Equity Act".

5        **SEC. 2. REFERENCE TO TITLE 35, UNITED STATES CODE.**

6        Whenever in this Act an amendment is expressed in  
7        terms of an amendment to a section or other provision, the  
8        reference shall be considered to be made to a section or other  
9        provision of title 35, United States Code.

1                   **TITLE I—PATENTED PROCESSES**2   **SEC. 101. RIGHTS OF OWNERS OF PATENTED PROCESSES.**

3           Section 154 is amended by inserting after “United  
4 States,” the following: “and, if the invention is a process, of  
5 the right to exclude others from using or selling throughout  
6 the United States, or importing into the United States, prod-  
7 ucts made by that process,”.

8   **SEC. 102. INFRINGEMENT FOR IMPORTATION OR SALE.**

9           Section 271 is amended by adding at the end the follow-  
10 ing new subsection:

11           “(g) Whoever without authority imports into the United  
12 States or sells or uses within the United States a product  
13 which is made by a process patented in the United States  
14 shall be liable as an infringer, if the importation, sale, or use  
15 of the product occurs during the term of such process patent.  
16 In an action for infringement of a process patent, no remedy  
17 may be granted for infringement on account of the use of a  
18 product unless there is no adequate remedy under this title  
19 for infringement on account of the importation or sale of that  
20 product. A product which is made by a patented process will,  
21 for purposes of this title, not be considered to be so made  
22 after—

23           “(1) it is materially changed by subsequent  
24 processes; or

1           “(2) it becomes a minor or nonessential compo-  
2           nent of another product.”.

3 **SEC. 103. DAMAGES FOR INFRINGEMENT.**

4           Section 287 is amended—

5           (1) by inserting “(a)” before “Patentees”; and

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

7           “(b)(1) No damages may be recovered for an infringe-  
8           ment under section 271(g) of this title with respect to a prod-  
9           uct unless the infringer knew or was on notice that the prod-  
10          uct was made by a process patented in the United States.

11          Damages may be recovered only for such infringement occur-  
12          ring after such knowledge or notice and, with respect to—

13               “(A) a product obtained before such knowledge or  
14          notice, or

15               “(B) a product which—

16                       “(i) is purchased pursuant to a contract that  
17                       is entered into before such knowledge or notice  
18                       and that provides for the delivery of a fixed quan-  
19                       tity of the product in a specified period of time,  
20                       and

21                       “(ii) is in the inventory of or in transit to the  
22                       purchaser, or is received by the purchaser within  
23                       6 months after such knowledge or notice,

24          shall be limited to reasonable royalties therefor.

1           “(2) For purposes of paragraph (1), ‘notice’ means the  
2 receipt of facts set forth in writing which are sufficient to  
3 establish that there is a substantial likelihood that the prod-  
4 uct was made by an infringing process.”.

5 **SEC. 104. EFFECTIVE DATE.**

6           The amendments made by this title apply to United  
7 States patents granted before, on, or after the date of the  
8 enactment of this Act, except that these amendments do not  
9 apply to any product imported into or made in the United  
10 States before such date.

11 **SEC. 105. REPORTS TO CONGRESS.**

12           (a) **CONTENTS.**—The Secretary of Commerce shall, not  
13 later than the end of each one-year period described in sub-  
14 section (b), report to the Congress on the effect of the amend-  
15 ments made by this title on the importation of ingredients to  
16 be used for manufacturing products in the United States in  
17 those domestic industries that submit complaints to the De-  
18 partment of Commerce, during that one-year period, alleging  
19 that their legitimate sources of supply have been adversely  
20 affected by the amendments made by this title.

21           (b) **WHEN SUBMITTED.**—A report described in subsec-  
22 tion (a) shall be submitted with respect to each of the five  
23 one-year periods which occur successively beginning on the  
24 date of the enactment of this Act and ending five years after  
25 that date.



1 **“§ 362. International Searching Authority and Interna-**  
2 **tional Preliminary Examining Authority**

3 “(a) The Patent and Trademark Office may act as an  
4 International Searching Authority and an International Pre-  
5 liminary Examining Authority with respect to international  
6 applications in accordance with the terms and conditions of  
7 an agreement which may be concluded with the International  
8 Bureau, and may discharge all duties required of such Au-  
9 thorities, including the collection of handling fees and their  
10 transmittal to the International Bureau.

11 “(b) The handling fee, preliminary examination fee, and  
12 any additional fees due for international preliminary examina-  
13 tion shall be paid within such time as the Commissioner may  
14 prescribe.”.

15 (b) CONFORMING AMENDMENT.—The item relating to  
16 section 362 in the table of sections for chapter 36 is amended  
17 to read as follows:

“362. International Searching Authority and International Preliminary Examining  
Authority.”.

18 **SEC. 204. INTERNATIONAL STAGE: PROCEDURE.**

19 Section 364(a) is amended by striking “or International  
20 Searching Authority, or both,” and inserting “, an Interna-  
21 tional Searching Authority, or an International Preliminary  
22 Examining Authority,”.

1 SEC. 205. SECRECY OF INTERNATIONAL APPLICATIONS.

2 Section 368(c) is amended by striking “or International  
3 Searching Authority, or both,” and inserting “, an Interna-  
4 tional Searching Authority, or an International Preliminary  
5 Examining Authority”.

6 SEC. 206. COMMENCEMENT OF NATIONAL STAGE.

7 (a) RECEIPT OF DOCUMENTS FROM THE INTERNA-  
8 TIONAL BUREAU.—Subsection (a) of section 371 is amended  
9 to read as follows:

10 “(a) Receipt from the International Bureau of copies of  
11 international applications with any amendments to the  
12 claims, international search reports, and international prelim-  
13 inary examination reports (including any annexes thereto)  
14 may be required in the case of international applications des-  
15 ignating or electing the United States.”.

16 (b) TIME LIMIT FOR COMMENCEMENT OF NATIONAL  
17 STAGE.—Subsection (b) of section 371 is amended to read as  
18 follows:

19 “(b) Subject to subsection (f) of this section, the national  
20 stage shall commence with the expiration of the applicable  
21 time limit under article 22 (1) or (2) or under article 39(1)(a)  
22 of the treaty.”.

23 (c) FILING OF ENGLISH TRANSLATION.—Subsection  
24 (c) of section 371 is amended—

25 (1) in paragraph (4) by striking the period and in-  
26 serting “; and”; and

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

2           “(5) a translation into the English language of  
3           any annexes to the international preliminary examina-  
4           tion report, if such annexes were made in another  
5           language.”.

6           (d) TIME PERIOD FOR SUBMISSION OF ANNEXES.—

7           Subsection (d) of section 371 is amended by adding at the end  
8           the following new sentence: “The requirement set forth in  
9           subsection (c)(5) of this section shall be complied with at such  
10          time as the Commissioner may prescribe, and failure to do so  
11          shall be regarded as cancellation of the amendments made  
12          under article 34(2)(b) of the treaty.”.

13          (e) TIME PERIOD FOR PRESENTATION OF AMEND-  
14          MENTS.—Subsection (e) of section 371 is amended by insert-  
15          ing “or article 41” after “28”.

16          SEC. 207. FEES.

17          (a) HANDLING AND PRELIMINARY EXAMINATION  
18          FEES.—Subsection (a) of section 376 is amended—

19                 (1) by striking “fee, which amount is” and insert-  
20                 ing “fee and the handling fee, which amounts are”;

21                 (2) by redesignating paragraph (5) as paragraph  
22                 (6); and

23                 (3) by inserting after paragraph (4) the following  
24                 new paragraph:



1           “(5) A preliminary examination fee and any addi-  
2           tional fees (see section 362(b)); and”.

3           (b) PRESCRIPTION AND REFUNDABILITY OF FEES.—

4           Subsection (b) of section 376 is amended—

5           (1) in the first sentence by inserting “and the han-  
6           dling fee” after “international fee”; and

7           (2) in the third sentence by inserting “the prelimi-  
8           nary examination fee, and any additional fees,” after  
9           “fee.”.

10   SEC. 208. EFFECTIVE DATE.

11           The amendments made by this title—

12           (1) shall take effect on the same day as the effec-  
13           tive date of entry into force with respect to the United  
14           States of chapter II of the Patent Cooperation Treaty,  
15           on account of the withdrawal of the declaration under  
16           article 64(1)(a) of the Patent Cooperation Treaty; and

17           (2) shall apply to all international applications  
18           pending on or filed on or after the date on which the  
19           amendments made by this title take effect.

          Passed the House of Representatives September 16,  
1986.

Attest:

BENJAMIN J. GUTHRIE,

*Clerk.*