

99TH CONGRESS
2D SESSION

H. R. 4899

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

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1986

Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. FISH, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. COBLE, and Mr. SWINDALL) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

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 directly 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 “(e) Whoever without authority imports into the United
12 States or sells or uses within the United States a product
13 which is directly made by a process patented in the United
14 States shall be liable as an infringer, if the importation, sale,
15 or use of the product occurs during the term of such process
16 patent. In an action for infringement of a process patent, no
17 remedy may be granted for infringement on account of the
18 use of a product unless there is no adequate remedy under
19 this title for infringement on account of the importation or
20 sale of that product.”

21 **SEC. 103. DAMAGES FOR INFRINGEMENT.**

22 Section 287 is amended—

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

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

1 “(b)(1) No damages may be recovered for an infringe-
 2 ment under section 271(e) of this title unless the infringer
 3 knew or was on notice that the product was made by a proc-
 4 ess patented in the United States. Damages may be recov-
 5 ered only for such infringement occurring after such knowl-
 6 edge or notice and, with respect to products in the United
 7 States obtained before such knowledge or notice, shall be
 8 limited to reasonable royalties therefor.

9 “(2) For purposes of paragraph (1)—

10 “(A) a person has knowledge if that person is
 11 aware or has a firm belief that the product was made
 12 by a process patented in the United States; and

13 “(B) ‘notice’ means receipt of facts set forth in
 14 writing which are sufficient to establish that there is a
 15 reasonable likelihood that the product was made by an
 16 infringing process.”.

17 **SEC. 104. INFRINGEMENT ACTIONS.**

18 (a) **PRESUMPTION IN CERTAIN ACTIONS.**—Chapter 29
 19 is amended by adding at the end the following:

20 “§ 295. **Presumption: Product produced by patented**
 21 **process.**

22 “In actions alleging infringement of a process patent
 23 based on the importation, sale, or use of a new product or a
 24 product directly made from recombinant DNA or hybridoma
 25 technology, if the court finds—

1 “(1) that a substantial likelihood exists that the
 2 product was made by the patented process, and
 3 “(2) that the claimant has made a reasonable
 4 effort to determine the process actually used in the
 5 production of the product and was unable so to deter-
 6 mine,
 7 the product shall be presumed to have been so made, and the
 8 burden of establishing that the product was not made by the
 9 process shall be on the party asserting that it was not so
 10 made.”

11 (b) CONFORMING AMENDMENT.—The table of sections
 12 for chapter 29 of title 35, United States Code, is amended by
 13 adding after the item relating to section 294 the following:

“295. Presumption: Product produced by patented process.”

14 **SEC. 105. EFFECTIVE DATE.**

15 The amendments made by this title shall apply to
 16 United States patents granted before, on, or after the date of
 17 the enactment of this Act, except that these amendments
 18 shall not apply to any product imported into or made in the
 19 United States before the date of the enactment of this Act.

20 **TITLE II—PATENT COOPERATION TREATY**

21 **AUTHORIZATION**

22 **SEC. 201. DEFINITIONS.**

23 (a) **TREATY.**—Section 351(a) is amended by striking
 24 “, excluding chapter II thereof”.

1 (b) REGULATIONS.—Section 351(b) is amended by
 2 striking “excluding part C thereof”.

3 (c) INTERNATIONAL SEARCHING AUTHORITY AND
 4 INTERNATIONAL PRELIMINARY EXAMINING AUTHOR-
 5 ITY.—Section 351(g) is amended by striking “term ‘Interna-
 6 tional Searching Authority’ means” and inserting “terms
 7 ‘International Searching Authority’ and ‘International Pre-
 8 liminary Examining Authority’ mean”.

9 **SEC. 202. TIME FOR FILING FEES.**

10 Section 361(d) is amended to read as follows:

11 “(d) The international fee, and the transmittal and
 12 search fees prescribed under section 376(a) of this part, shall
 13 be paid either on filing of an international application or
 14 within such later time as the Commissioner may prescribe.”.

15 **SEC. 203. PATENT OFFICE AS INTERNATIONAL PRELIMINARY**
 16 **EXAMINING AUTHORITY.**

17 (a) AUTHORITY OF PATENT OFFICE.—Section 362 is
 18 amended to read as follows:

19 **“§ 362. International Searching Authority and Interna-**
 20 **tional Preliminary Examining Authority**

21 “(a) The Patent and Trademark Office may act as an
 22 International Searching Authority and an International Pre-
 23 liminary Examining Authority with respect to international
 24 applications in accordance with the terms and conditions of
 25 an agreement which may be concluded with the International

1 Bureau, and may discharge all duties required of such Au-
 2 thorities, including the collection of handling fees and their
 3 transmittal to the International Bureau.

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

8 (b) **CONFORMING AMENDMENT.**—The item relating to
 9 section 362 in the table of sections for chapter 36 is amended
 10 to read as follows:

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

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

12 Section 364(a) is amended by striking “or International
 13 Searching Authority, or both,” and inserting “, an Interna-
 14 tional Searching Authority, or an International Preliminary
 15 Examining Authority,”.

16 **SEC. 205. SECRECY OF INTERNATIONAL APPLICATIONS.**

17 Section 368(c) is amended by striking “or International
 18 Searching Authority, or both,” and inserting “, an Interna-
 19 tional Searching Authority, or an International Preliminary
 20 Examining Authority”.

21 **SEC. 206. COMMENCEMENT OF NATIONAL STAGE.**

22 (a) **RECEIPT OF DOCUMENTS FROM THE INTERNA-**
 23 **TIONAL BUREAU.**—Subsection (a) of section 371 is amended
 24 to read as follows:

1 “(a) Receipt from the International Bureau of copies of
2 international applications with any amendments to the
3 claims, international search reports, and international prelim-
4 inary examination reports (including any annexes thereto)
5 may be required in the case of international applications des-
6 ignating or electing the United States.”

7 (b) **TIME LIMIT FOR COMMENCEMENT OF NATIONAL**
8 **STAGE.**—Subsection (b) of section 371 is amended to read as
9 follows:

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

14 (c) **FILING OF ENGLISH TRANSLATION.**—Subsection
15 (c) of section 371 is amended—

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

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

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

23 (d) **TIME PERIOD FOR SUBMISSION OF ANNEXES.**—

24 Subsection (d) of section 371 is amended by adding at the end
25 the following new sentence: “The requirement set forth in

1 subsection (c)(5) of this section shall be complied with at such
 2 time as the Commissioner may prescribe, and failure to do so
 3 shall be regarded as cancellation of the amendments made
 4 under article 34(2)(b) of the treaty.”

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

8 SEC. 207. FEES.

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

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

13 (2) by redesignating paragraph (5) as paragraph
 14 (6); and

15 (3) by inserting after paragraph (4) the following
 16 new paragraph:

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

19 (b) PRESCRIPTION AND REFUNDABILITY OF FEES.—
 20 Subsection (b) of section 376 is amended—

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

23 (2) in the third sentence by inserting “the prelimi-
 24 nary examination fee, and any additional fees,” after
 25 “fee.”

1 **SEC. 208. EFFECTIVE DATE.**

2 The amendments made by this title—

3 (1) shall take effect on the same day as the effec-
4 tive date of entry into force with respect to the United
5 States of chapter II of the Patent Cooperation Treaty,
6 on account of the withdrawal of the declaration under
7 article 64(1)(a) of the Patent Cooperation Treaty; and8 (2) shall apply to all international applications
9 pending on or filed on or after the date on which the
10 amendments made by this title take effect.

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- 1. The Board shall have the authority to:
- 2. (a) Review and approve or disapprove the annual budget of the Corporation.
- 3. (b) Review and approve or disapprove the annual financial statements of the Corporation.
- 4. (c) Review and approve or disapprove the annual report of the Corporation.
- 5. (d) Review and approve or disapprove the annual report of the Corporation.
- 6. (e) Review and approve or disapprove the annual report of the Corporation.
- 7. (f) Review and approve or disapprove the annual report of the Corporation.
- 8. (g) Review and approve or disapprove the annual report of the Corporation.
- 9. (h) Review and approve or disapprove the annual report of the Corporation.
- 10. (i) Review and approve or disapprove the annual report of the Corporation.

ARTICLE IV - GENERAL PROVISIONS