

SUMMARY OF STATEMENT BY

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S. 1543, the "Process Patent Amendment of 1985", would improve the U.S. patent law by amending Title 35, United States Code, to extend the exclusive rights of the holder of a process patent to products made by the patented process. This would bring our law into conformity with the laws of our major trading partners by giving the holder of a process patent the right to stop the importation, use or sale within the United States of a product made abroad by a process patented in the United States.

Under present United States patent law, a U.S. manufacturer who uses the patented process would infringe, while a foreign manufacturer using the process abroad would not. The subsequent use or sale of the resulting products may effectively destroy the value of the U.S. process patent and perhaps the patent holder's ability to recover an initial R&D investment. This particularly poses a problem for process patent holders making products which are themselves unpatentable. Failure to remedy this problem exacerbates our trade problems.

Enforcing a patent against an infringer is a substantial undertaking. We believe that it would be desirable to establish a rebuttable presumption that a product which could have been made by patented process was in fact made by the patented process. This provision would greatly relieve the burden on domestic industry where a foreign manufacturer is not subject to service of process in the United States. The provision should also require the patentee to demonstrate, on the basis of available evidence, that a substantial likelihood exists that the product was produced by the patented process and, further, that a reasonable but unsuccessful effort was made to determine that the process was actually used in the production of the product. We also suggest that S. 1543 be amended to clarify that it applies only to products "directly" produced by the patented process. These changes are consistent with the laws of other countries on this subject, as well as with the European Patent Convention. The legislative history of the bill should also reflect that the provisions of this legislation could not be circumvented by adding to the process immaterial steps which are trivial to the process as a whole. Identical products made by other processes would not be affected.

The Administration strongly supports S. 1543. It would strengthen the rights of U.S. process patent holders by providing them the protection available under the laws of our trading partners. Our industry needs this protection. We urge the bill's enactment.