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ACTION
Introduced by Mr. Kastenmeier

our national patent and copyright laws rest.

I might also add that I am a firm believer in the patent system. To quote from a former professor of mine and a world renowned expert in intellectual property law—John Stedman, professor of law, now retired, at the University of Wisconsin—during testimony before my subcommittee:

There are many situations in which novel ideas are not likely to be implemented unless the initiator can be assured of an exclusive, or semi-exclusive, right for a limited time to enable him to reap sufficient reward to recoup his sunk investment and compensate him for the risks he takes. The need for this is greatest in those areas of invention and innovation where others, in the absence of such protection, can sit back and then move into the field without incurring the risk and costs of failure once the new idea has proved itself.

Hearings on industrial innovation and patent and copyright law amendments, the 96th Congress, 2d session (1980) at 188.

In short, a strong patent system insures the development and commercialization of new products and processes. Resultant industrial innovation is an essential component in the American economy. It also improves productivity, creates jobs, and promotes investments and international competitiveness. The net result is a higher standard of living for all Americans.

Of course, nobody is arguing that the Patent Law Amendments of 1983 will not accomplish all of these lofty objectives. On the contrary, if enacted, this reform is only part of a larger agenda of needed reforms in the patent, copyright and trademark area.

I now will present a brief sectional analysis of the proposed legislation. For those of you who need a more detailed explanation, in addition to talking to the committee staff you may wish to contact the Legislative Affairs Office of the Department of Commerce.

Section 1 of the bill provides a short title.

Section 2—the most significant provision in the bill—establishes a new, optional procedure by which an inventor may secure patent protection which is strictly defensive in nature. Under current law, there is no simple, practical method by which an inventor can protect his rights without obtaining a patent. The new procedure created by section 2 would confer an inventor with the same rights that a regular patent provides to prevent others from patenting the same invention. However, it would not permit the holder from excluding others from making, using or selling the invention. An application for a defensive patent under the section would not be subjected to the normal examination process. In the final analysis, section 2 would not only give inventors a form of protection cheaper and faster than they could get by applying for a tradi-

PATENT LAW AMENDMENTS OF 1983

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 10 minutes.

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing the "Patent Law Amendments of 1983." The bill is contained in an executive communication dated March 11, 1983, from the Secretary of Commerce (Malcolm Baldrige) to you, Mr. Speaker. Due to the fact that my subcommittee—the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice—has not yet held hearings on the substantive changes to patent law proposed in the executive communication. I would like the record to reflect that I am introducing the bill by request. I refrain from taking a position on the proposal at this time.

Let me say at the outset that I agree with several of the premises upon which the bill is based. Congressional power to enact changes in the patent system is firmly established. Article I, section 8, clause 8 of the Constitution provides the foundation upon which

tional patent, but it also will save the Government substantial time and money as well.

Section 3 would allow an appeal from a second rejection of claims by an examiner who is not a primary examiner. This section would provide a remedy for an applicant who receives a second rejection from an examiner with partial signatory authority.

Section 4 provides authority for the Commissioner to set a shortened period for payment of an issue fee. It also deletes reference to partial payment, balance of the issue fee, and lapse for failure to pay the balance. Since October 1, 1982, the effective date of the fee provisions of Public Law 97-247, the issue fee has been a fixed amount.

Section 5 establishes a 1-month grace period from the date of filing of an international application for payment of the international, transmittal, and search fees.

Section 6 clarifies the effect of withdrawal of an international application on claims for the benefit of its filing date. The withdrawal of an international application designating the United States will not deprive an applicant of the right to claim the benefit of the filing date of such an international application, provided the claim is made before the international application is withdrawn. Stated otherwise, this clarifies that withdrawing the designation of the United States in an international application is comparable to abandoning a national application as far as a claim for an earlier filing date is concerned.

Section 7 sets forth several house-keeping amendments to establish greater flexibility in the Patent and Trademark Office for the handling of international applications. In addition, this section, by relaxing the requirements which international applicants must satisfy by the commencement of the national stage, gives international applicants benefits similar to those given national applicants by Public Law 97-247 with respect to the time for filing the national fee and oath or declaration.

Section 8 authorizes the Commissioner to require a verification of the translation of an international application or any other document pertaining thereto if the application or other document was filed in a language other than English. An authorization for the Commissioner to require verification in appropriate cases is necessary since subsection (c)(2) of section 371 was amended to remove the requirement that the translation be verified in all cases.

Section 9 of the bill is a conforming amendment deleting mention of the special fee in order to conform with a previous amendment in the bill.

Section 10 is a technical amendment which replaces the term "Patent Office" with "Patent and Trademark Office" to conform with the provisions of Public Law 93-596.

Section 11 is also a technical amendment to insure that no maintenance fees are charged for plant patents, regardless of when filed. Without this provision, plant patent owners whose applications were filed between the dates of enactment of Public Law 96-517 and Public Law 97-247 would be subject to payment of maintenance fees, while plant patent owners whose applications were filed outside those dates would not be subject to such fees. This provision eliminates that inconsistency.

Last, section 12 provides an effective date for the legislation. It makes sections 1-9 effective 6 months after enactment. The delay is intended to permit an orderly transition between the old and new procedures. Section 10 is made effective on enactment since this section makes no substantive changes in patent practice and merely reflects provisions which have previously been approved for the Patent and Trademark Office. Section 11 is also made effective on enactment in order to provide the immediate relief intended by that section.

To conclude, Mr. Speaker, my introduction of this bill assists the Secretary of Commerce and the Commissioner of Patents and Trademarks in placing the Department of Commerce's proposals on the platter of the 98th Congress. I urge my colleagues to take a hard and close look at the issues presented by the Patent Law Amendments of 1983. Considered collectively, these amendments arguably provide needed improvements to the country's patent system, thereby stimulating innovation, increasing productivity, and improving the lifestyle of all American citizens.●