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| BILL | DATE | PAGE(S) |
|---|---|---|
| S.1230 | JUN 4 '85 (72) | S7393-94 |

ACTION: INTRODUCED BY MR. MATHIAS

By Mr. MATHIAS:

S. 1230. A bill to amend the patent laws implementing the Patent Cooperation Treaty; to the Committee on the Judiciary.

ACT TO AUTHORIZE THE UNITED STATES TO PARTICIPATE IN CHAPTER II OF THE PATENT COOPERATION TREATY

Mr. MATHIAS. Mr. President, today I introduce legislation to implement chapter II of the Patent Cooperation Treaty. That treaty is a major multilateral convention under which 35 countries, including the United States, have joined together to facilitate the filing of patent applications for the same invention in a number of countries. U.S. inventors rely on the convention to obtain protection for their technology in other countries.

At present under the treaty, patent holders around the world, after obtaining a patent in their own country, can file a single international application in their native language at their national patent office and have that application acknowledged in as many other countries as the applicant designates. An international search report is prepared by the patent offices in the designated countries. This report gives the inventor information needed to decide whether to pursue and perfect a full-scale patent application in those countries, involving payment of additional fees and submission of translations. Under the treaty, this decision is not required until more than 1½ years after first filing the application, giving, the inventor ample time to evaluate the chances of obtaining a patent in the other countries based on the information supplied in the search report.

This entire procedure is embodied in chapter II of the Patent Cooperation Treaty, on which the United States placed a reservation when it ratified the document in 1975; because of this reservation, the benefits of the process outlined above currently are denied to U.S. patent holders.

In 1975, the prevailing opinion in the patent community was that the differences in methods of examining and processing patents in our country and elsewhere would make adherence to chapter II unmanageable. But since then, we have made considerable headway in harmonizing the patent procedures in different countries. As a consequence, we now are in a position to remove the reservation and take advantage of the greater information, lead time and flexibility U.S. inventors would enjoy if our country adhered to chapter II. President Reagan has asked the advice and consent of the Senate to remove the reservation on chapter II, and the bill I am introducing today would implement that removal.

The U.S. Patent and Trademark Office is working toward its ambitious goal: Reducing patent application pendency time in the United States to 18 months by 1987. The Office will not produce examination reports for international applications from patent holders in other countries until it completes this "18 by 87" project. In the meantime, arrangements have been made for the European Patent Office to prepare the examination reports for U.S. applicants during the interim.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1230

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Act to Authorize

the United States to Participate in Chapter II of the Patent Cooperation Treaty."

SEC. 2. (a) Section 351(a) of title 35, United States Code, is amended by striking out ", excluding chapter II thereof".

(b) Section 351(b) of title 35, United States Code, is amended by striking out "excluding part C thereof".

(c) Section 351(g) of title 35, United States Code, is amended by—

(1) striking out "term" and inserting in lieu thereof "terms";

(2) inserting "and 'International Preliminary Examining Authority' " after "Authority"; and

(3) striking out "means" and inserting in lieu thereof "mean".

(d) Section 361(d) of title 35, United States Code, is amended to read as follows:

"(d) The international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall either be paid on filing of an international application or within such later time as may be fixed by the Commissioner."

SEC. 3. The item relating to section 362 in the analysis for chapter 36 of title 35, United States Code, is amended to read as follows:

"362. International Searching Authority and International Preliminary Examining Authority."

SEC. 4. Section 362 of title 35, United States Code, is amended to read as follows:

"Sec. 362. International Searching Authority and International Preliminary Examining Authority

"(a) The Patent and Trademark Office may act as an International Searching Authority and International Preliminary Examining Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau, and may discharge all duties required of such Authorities, including the collection of handling fees and their transmittal to the International Bureau.

"(b) The handling fee, preliminary examination fee, and any additional fees due for international preliminary examination shall be paid within such time as may be fixed by the Commissioner."

SEC. 5. Section 364(a) of title 35, United States Code, is amended by—

(a) striking out "or", first occurence and inserting in lieu thereof ",";

(b) inserting "International Preliminary Examining Authority" after "Authority, or"; and

(c) striking out "both".

SEC. 6. Section 368(c) of title 35, United States Code, is amended by—

(a) striking out the second occurrence of "or" and inserting in lieu thereof ","; and

(b) striking out "both" and inserting in lieu thereof "International Preliminary Examining Authority".

SEC. 7. (a) Section 371(a) of title 35, United States Code, is amended to read as follows:

"(a) Receipt from the International Bureau of copies of international applications with any amendments to the claims, international search reports, and international preliminary examination reports including any annexes thereto may be required in the case of international applications designating or electing the United States."

(b) Section 371(b) of title 35, United States Code, is amended to read as follows:

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

(c) Section 371(c)(4) of title 35, United States Code, is amended by striking the "." and inserting in lieu therefore ";".

(d) Section 371(c) of title 35, United States Code, is amended by adding at the end thereof the following new paragraph (5):

"(5) a translation into the English language of any annexes to the international preliminary examination report, if such annexes were made in another language.".

(e) Section 371(d) of title 35, United States Code, is amended by adding at the end thereof the following sentence:

"The requirement of subsection (c)(5) shall be complied with at such time as may be fixed by the Commissioner and failure to do so shall be regarded as cancellation of the amendments made under article 34(2)(b) of the treaty.".

(f) Section 371(e) of title 35, United States Code, is amended by inserting "or article 41" after "28".

SEC. 8. (a) Section 376(a) of title 35, United States Code, is amended by—

(1) inserting "and the handling fee" after the first occurrence of "fee";

(2) striking "amount is" and inserting in lieu thereof "amounts are";

(3) redesignating paragraph (5) as paragraph (6); and

(4) inserting the following new paragraph (5):

"(5) A preliminary examination fee and any additional fees (see section 362(b))."

(b) Section 376(b) of title 35, United States Code, is amended by—

(1) inserting "and the handling fee" after the first occurrence of "fee" in the first sentence; and

(2) inserting "the preliminary examination fee and any additional fees," after "fee," in the third sentence.

SEC. 9. Sections 2 through 8 of this Act shall come into force on the same day as the effective date of entry into force of chapter II of the Patent Cooperation Treaty with respect to the United States, by virtue of the withdrawal of the declaration under article 64(1)(a) of the Patent Cooperation Treaty. It shall apply to all international applications pending before or after its effective date.