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CONGRESSIONAL RECORD

PROCEEDINGS AND DEBATES OF THE 100TH CONGRESS

SENATE

BILL	DATE	PAGE(S)
H.R.4972	Oct 14, 1988 146	S15947-48

ACTION:

Patent and Trademark Office Authorizations: The Committee on the Judiciary was discharged from the further consideration of H R. 4972, to authorize funds for the Patent and Trademark Office in the Department of Commerce, and the bill was then passed, after agreeing to an amendment proposed thereto, as follows

(1) Byrd (for Leahy) Amendment No. 3689, to eliminate presumptions in defining markets

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APPROPRIATIONS FOR PATENT AND TRADEMARK OFFICE IN THE DEPARTMENT OF COMMERCE

Mr BYRD Mr President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H R 4972 and that the Senate proceed to its immediate consideration

The PRESIDING OFFICER The bill will be stated by title

The assistant legislative clerk read as follows

A bill (H R 4972) to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes

The PRESIDING OFFICER Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill

AMENDMENT NO 3689

(Purpose To eliminate presumptions in defining markets, and for other purposes)

Mr BYRD. Mr President, I send to the desk an amendment on behalf of Mr LEAHY

The PRESIDING OFFICER The amendment will be stated

The assistant legislative clerk read as follows

The Senator from West Virginia (Mr BYRD), for Mr LEAHY, proposes an amendment numbered 3689

Mr BYRD. Mr President, I ask unanimous consent that reading of the amendment be dispensed with

The PRESIDING OFFICER Without objection, it is so ordered

The amendment is as follows

At an appropriate place, insert the following

TITLE I—INTELLECTUAL PROPERTY

SEC 101 this title may be cited as the "Intellectual Property Antitrust Protection Act of 1988"

PROHIBITION OF MARKET POWER PRESUMPTION

SEC. 102 In any action in which the conduct of an owner, licensor, licensee, or other holder of an intellectual property right is alleged to be in violation of the antitrust laws in connection with the marketing or distribution of a product or service protected by such a right, such right shall not be presumed to define a market or to establish market power, including economic power and product uniqueness or distinctiveness, or monopoly power

SEC. 103 For purposes of this title—

(1) the term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S C 12(a)), and

(2) the term "intellectual property right" means a right, title, or interest—

(A) in subject matter patented under title 35 of the United States Code, or

(B) in a work, including a mask work, protected under title 17 of the United States Code

TITLE II—PATENT MISUSE DOCTRINE REFORM

SEC. 201 Section 271 of title 35, United States Code, is amended—

(1) by redesignating subsection (c) as paragraph (1) of subsection (c),

(2) by redesignating subsection (d) as paragraph (2) of such subsection (c), and

(3) by inserting after subsection (c) the following new subsection

"(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his or her licensing practices or actions or inactions relating to his or her patent, unless such practices or actions or inactions, in view of the circumstances in which such practices or actions or inactions are employed, violate the antitrust laws."

Mr DECONCINI Mr President, I rise today in support of H R 4972, the bill to reauthorize the Patent and Trademark Office [PTO] for the years of 1989, 1990, and 1991. The Subcommittee on Patents, Copyrights and Trademarks, which I chair, recognizes that the PTO is a very important bureau of the Federal Government H R 4972 will help improve the effectiveness of PTO operations Through these improvements, we can strengthen individual and corporate incentives to invent and invest in new products in the United States

In brief, H R 4972 authorizes PTO appropriations for the next 3 years The bill also continues with the reporting requirements and most of the user fee restrictions that Congress imposed on the PTO in the last authorization. However, the bill relaxes the prohibitions of Public Law 99-607 against charging any user fees for the public patent and trademark search rooms and libraries at the PTO. Although the Commissioner still may not charge for use of paper documents or microfilm, the Commissioner may establish reasonable fees for public access to the automated search system, subject to certain limitations

This has become a matter of some concern as public dissemination of patent and trademark information is an important mission of the PTO The question of how the Office can best make its information available to the public raises a number of policy issues.

For the last several years, the PTO has been undertaking a massive and expensive automation project This project has run into a number of difficulties and has been critized by the General Accounting Office for mismanagement and cost overruns The Senate Subcommittee on Patents, Copyrights and Trademarks plans to hold oversight hearings on this subject next year and to investigate these issues further, but we believe H R 4972 proposes reasonable guidelines for user fees based on the information currently available to us

I believe the PTO must concentrate on making all of the automated information as well as paper or microfilm collections of patents and trademarks available to the public at the earliest possible date. The H R. 4972 provisions requiring the PTO to keep user fees reasonable, requiring a limited amount of free automated system access training time, and authorizing fee waivers in cases of need or hardship should help promote the public interest in the wide dissemination of PTO information.

The subcommittee hopes to obtain more information next year on the anticipated level of fees for the automated system. My understanding is that the fees will be based on the marginal cost of providing the information to the public and will not include the costs of designing and installing the automated system for use by PTO examiners

H R 4972 also addresses issues that have arisen relating to money spent for automation For example, the bill prohibits the use of fee revenues to defray more than 30 percent of the cost of automation and requires the Commissioner of Patents and Trademarks to notify the House and Senate Judiciary Committees of any proposals which would increase or decrease the amount of appropriations expended for automation

In addition, the bill continues to prohibit the Commissioner from entering into any agreements to exchange items or services relating to automatic data processing resources However, the subcommittee has received recommendations that this restriction be further tightened We will also be looking into this issue in the coming year to see if any such changes are needed

H.R 4972 omits a provision of Public Law 99-607 that required the Commissioner to notify the Judiciary Committees 90 days before deploying automated systems This does not in any way indicate a congressional lack of interest in the automated system We assume that the Department of Commerce and the PTO will consult with Congress before making any major decisions on patent and trademark search files automation

H.R. 4972 is a good bill, and I support its passage. However, we should not assume that all of its provisions will remain unchanged for the full 3 year authorization. After our oversight hearings next year, we may determine that further legislation is needed We will pay particularly close attention to the user fee provision to ensure that it is not abused, thereby discouraging public access to this information. We are hopeful that the recent changes in PTO management

and planning will bring about improvements in the automation project that will be evident by the time we hold our hearings next year

The Patent and Trademark Office has a very important role in our effort to improve America's industrial competitiveness I would like to thank all those who have taken such an interest in this issue and have worked so closely with me and my staff And I would especially like to thank Mary Cabanski of my staff for all her hard work on this and other legislation during the 100th Congress

The PRESIDING OFFICER The question is on agreeing to the amendment

The amendment (No 3689) was agreed to

The amendment was ordered to be engrossed and the bill to be read a third time

The bill was read a third time and passed

Mr BYRD Mr President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table

The motion to lay on the table was agreed to