93D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 93-856

AMENDING TITLE 35, UNITED STATES CODE, "PATENTS"

FEBRUARY 28, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KASTENMEIER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 9199]

The Committee on the Judiciary, to whom was referred the bill (H.R. 9199) to amend title 35, United States Code, "Patents", and for other purposes, having considered the same, reports favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Strike out all on page 3, line 13, down through page 4, line 21, and insert in lieu thereof the following:

SEC. 4(a) The Commissioner of Patents may, in accordance with Section 3 of this Act accept late payment of issue fees, the payment of which was governed by the provisions of Public Law 89–83; *Provided:* the term of the patent for which late payment of such an issue fee is accepted shall expire earlier than the time specified in Section 154 of Title 35, United States Code, by a period equal to the delay between the time the application became abandoned or the patent lapsed for failure to pay the issue fee and the time the late payment is accepted after enactment of this Act; *Further Provided:* no patent with respect to which the payment of the issue fee was governed by the provision of PL 89–83 and for which a late payment of the issue fee is accepted under the authority created by Section 3 of this Act, shall abridge or affect the right of any person or his successors in business who made, purchased or used anything covered by the patent, after the date of the application became abandoned or patent lapsed for failure to pay the issue fee but prior to the grant or restoration of the patent, to continue the use of or to sell to others to be used or sold, the specific thing so made, purchased, or used. A court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manu-

facture, use or sale of which substantial preparation was made after the date the application became abandoned or patent lapsed for failure to pay the fee but prior to the grant or restoration of the patent, and it may also provide for the contined practice of any process covered by the patent, practiced, or for the practice of which substantial preparation was made, after the date the application became abandoned or patent lapsed for failure to pay the issue fee but prior to the grant or restoration of the patent, to the extent and under such terms as the court deems equitable for the protection of investments made or busines commenced before the grant or restoration of the patent.

Purpose of the Amendment

The amendment corrects certain technical defects of a minor nature in section 4(a) of the bill which deals with retroactivity of its application, as discussed below.

Contents of the Amended Bill

H.R. 9199 changes the title of the First Assistant Commissioner of Patents to Deputy Commissioner of Patents (section 1); it provides that the fifteen examiners-in-chief in the Patent Office shall be appointed under Civil Service instead of being appointed by the President and confirmed by the Senate (sections 1 and 2); it would empower the Commissioner of Patents to accept late payment of the patent issue fee if delay in payment is shown to have been unavoidable (section 3), and it provides limited retroactivity with respect to the Commissioner's authority under section 3 (section 4(a)). Examiners-in-chief who are in office on the date of enactment of H.R. 9199 are continued in office (section 4(b)).

A public hearing before the Subcommittee was held on July 20, 1973. The Acting Commissioner of Patents appeared and testified in favor of enactment of H.R. 9199, as herein amended.

Section-by-Section Analysis

Section 1 of H.R. 9199 changes the title of the present First Assistant Commissioner of Patents to Deputy Commissioner of Patents. The Department of Commerce approves the proposed changes as providing a better description of the duties of the position involved.

Sections 1 and 2 of H.R. 9199 provides for the appointment of fifteen examiners-in-chief under the Classified Civil Service instead of by Presidential appointment and Senate confirmation. The Department of Commerce supports this change, asserting that the examiners-in-chief who perform duties requiring legal and technical qualifications and experience should be appointed without the burden of the present procedures.

Section 3 of H.R. 9199 broadens the authority of the Commissioner to accept a late payment of the patent issue fee. Under present law the Commissioner has no authority to excuse the lateness of payment

of an issue fee when it is submitted to the Patent Office more than three months after the due date. The amendment proposed by section 3 would permit acceptance of a more than three-month late payment of an issue fee, upon a showing that the delay in payment was unavoidable. Enactment of this amendment would eliminate need for private bills seeking relief from the rigorous application of existing law.

Section 4(a) of H.R. 9199 contains provision for and limitations on retroactivity of the Commissioner's new authority to excuse late payment of the issue fee. The limitations are as follows:

1. The authority of the Commissioner shall not be retroactive to a time prior to October 25, 1965, when the present law concerning issue fee payments became effective. Prior to that date, the Department of Commerce advises, no difficulties were encountered;

2. The term of the patent (normally 17 years) shall expire earlier than the term specified in existing law by an amount equal to the time elapsed between the due date of the issue fee and the date when the late payment is accepted after enactment of H.R. 9199; and

3. Parties who make an investment in reliance on supposed lapse or abandonment of a patent due to failure to make prompt payment of the issue fee are protected.

Section 4(b) provides that examiners-in-chief who are in office on the date of enactment of the legislation shall continue in office.

The Committee Amendment

The Department of Commerce approves H.R. 9199 including the provisions for limited retroactivity contained in section 4(a). In reviewing the language of section 4(a), the Department discovered certain technical defects of a minor nature that it believes should be corrected. The Department accordingly recommends substitution of the slightly revised version of section 4(a) set forth as the amendment above, and the committee agrees.

Cost

Enactment of H.R. 9199 would entail no cost to the United States.

Votes

At a meeting held on February 28, 1974, the Committee on the Judiciary, by voice vote, ordered H.R. 9199, as herein amended, to be favorably reported to the House. No record vote was taken in connection with the committee's consideration of the measure.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

UNITED STATES CODE, TITLE 35.—PATENTS

PART I.—PATENT OFFICE

Chapter I.—PATENT OFFICE

§ 3. Officers and employees.

[A Commissioner of Patents, one first assistant commissioner, two assistant commissioners, and not more than fifteen examiners-in-chief, shall be appointed by the President, by and with the advice and consent of the Senate. The assistant commissioners shall perform the duties pertaining to the office of commissioner assigned to them by the Commissioner. The first assistant commissioner, or, in the event of a vacancy in that office, the assistant commissioner senior in date of appointment, shall fill the office of Commissioner during a vacancy in that office until a Commissioner is appointed and takes office. The Secretary of Commerce, upon the nomination of the Commissioner in accordance with law, shall appoint all other officers and employees.]

[The Secretary of Commerce may vest in himself the functions of the Patent Office and its officers and employees specified in this title and may from time to time authorize their performance by any other officer or employee. The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 17 of the General Schedule of the Classification Act of 1949, as amended.]

"(*a*) *There shall be in the Patent Office a Commissioner of Patents, a Deputy Commissioner, two Assistant Commissioners, and not more than fifteen examiners-in-chief. The Deputy Commissioner, or, in the event of a vacancy in that office, the Assistant Commissioner senior in date of appointment shall fill the office of Commissioner during a vacancy in that office until the Commissioner is appointed and takes office. The Commissioner of Patents, the Deputy Commissioner, and the Assistant Commissioners shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce, upon the nomination of the Commissioner, in accordance with law, shall appoint all other officers and employees.*

"(*b*) *The Secretary of Commerce may vest in himself the functions of the Patent Office and its officers and employees specified in this title and may from time to time authorize their performance by any other officer or employee.*

"(*c*) *The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 17 of the General Schedule of the Classification Act of 1949, as amended.*"

* * * * * * *

§ 7. Board of Appeals.

[The examiners-in-chief shall be persons of competent legal knowledge and scientific ability. The Commissioner, the assistant commissioners, and the examiners-in-chief shall constitute a Board of

Appeals, which, on written appeal of the applicant, shall review adverse decisions of examiners upon applications for patents. Each appeal shall be heard by at least three members of the Board of Appeals, the members hearing such appeal to be designated by the Commissioner. The Board of Appeals has sole power to grant rehearings.]

"*The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who shall be appointed under the classified civil service. The Commissioner, the deputy commissioner, the assistant commissioners, and the examiners-in-chief shall constitute a Board of Appeals, which on written appeal of the applicant, shall review decisions of examiners upon applications for patents. Each appeal shall be heard by at least three members of the Board of Appeals, the members hearing such appeal to be designated by the Commissioner. The Board of Appeals has sole power to grant rehearings.*"

PART II.—PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

Chapter 14.—ISSUE OF PATENT

* * * * * * *

§ 151. Issue of patent.

If any payment required by this section is not timely made, but is submitted with the fee for delayed payment [within three months after the due date] and [sufficient cause is shown for the late payment] *the delay in payment is shown to have been unavoidable*, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred.

○