# Union Calendar No. 332

97TH CONGRESS
2D SESSION

# H. R. 6260

**[Report No. 97-542]**

To authorize appropriations to the Patent and Trademark Office in the Department of Commerce, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MAY 4, 1982

Mr. KASTENMEIER (for himself, Mr. BROOKS, Mrs. SCHROEDER, Mr. FRANK, Mr. RAILSBACK, Mr. SAWYER, and Mr. BUTLER) introduced the following bill; which was referred to the Committee on the Judiciary

MAY 17, 1982

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 4, 1982]

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# A BILL

To authorize appropriations to the Patent and Trademark Office in the Department of Commerce, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated for the payment of salaries and necessary expenses of the Patent and Trade-*

*mark Office to become available for fiscal year 1983, $76,000,000, and in fiscal years 1984 and 1985 such sums as may be necessary as well as such additional or supplemental amounts as may be necessary, for increases in salary, pay, retirement, or other employee benefits authorized by law. Funds available under this section shall be used to reduce by 50 per centum the payment of fees under section 41 (a) and (b) of title 35, United States Code, by independent inventors and nonprofit organizations as defined in regulations established by the Commissioner of Patents and Trademarks, and by small business concerns as defined in section 3 of the Small Business Act and by regulations established by the Small Business Administration. When so specified and to the extent provided in an appropriation Act, any amount appropriated pursuant to this section and, in addition, such fees as shall be collected pursuant to title 35, United States Code, and the Trademark Act of 1946, as amended (15 U.S.C. 1051 et seq.), may remain available without fiscal year limitation.*

*SEC. 2. Notwithstanding any other provision of law, there is authorized to be appropriated for the payment of salaries and expenses of the Patent and Trademark Office, $121,461,000 for the fiscal year ending September 30, 1982, and such additional or supplemental amounts as may be nec-*

*essary for increases in salary, pay, retirement, or other employee benefits authorized by law.*

*SEC. 3. (a) Section 41(a) of title 35, United States Code, is amended to read as follows:*

*"(a) The Commissioner shall charge the following fees:*

*"1. On filing each application for an original patent, except in design or plant cases, $300; in addition, on filing or on presentation at any other time, $30 for each claim in independent form which is in excess of three, $10 for each claim (whether independent or dependent) which is in excess of twenty, and $100 for each application containing a multiple dependent claim. For the purpose of computing fees, a multiple dependent claim as referred to in section 112 of this title or any claim depending therefrom shall be considered as separate dependent claims in accordance with the number of claims to which reference is made. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.*

*"2. For issuing each original or reissue patent, except in design or plant cases, $500.*

*"3. In design and plant cases:*

*"a. On filing each design application, $125.*

*"b. On filing each plant application, $200.*

*"c. On issuing each design patent, $175.*

*"d. On issuing each plant patent, $250.*

*"4. On filing each application for the reissue of a patent, $300; in addition, on filing or on presentation at any other time, $30 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $10 for each claim (whether independent or dependent) which is in excess of twenty and also in excess of the number of claims of the original patent. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.*

*"5. On filing each disclaimer, $50.*

*"6. On filing an appeal from the examiner to the Board of Appeals, $115; in addition, on filing a brief in support of the appeal, $115, and on requesting an oral hearing before the Board of Appeals, $100.*

*"7. On filing each petition for the revival of an unintentionally abandoned application for a patent or for the unintentionally delayed payment of the fee for issuing each patent, $500, unless the petition is filed under sections 133 or 151 of this title, in which case the fee shall be $50.*

*"8. For petitions for one-month extensions of time to take actions required by the Commissioner in an application:*

*"a. On filing a first petition, $50.*

*"b. On filing a second petition, $100.*

*"c. On filing a third or subsequent petition, $200.".*

*(b) Section 41(b) of title 35, United States Code, is amended to read as follows:*

*"(b) The Commissioner shall charge the following fees for maintaining a patent in force:*

*"1. Three years and six months after grant, $400.*

*"2. Seven years and six months after grant, $800.*

*"3. Eleven years and six months after grant, $1,200.*

*Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such six-month grace period the late payment of an applicable maintenance fee. No fee will be established for maintaining a design or plant patent in force.".*

*(c) Section 41(c) of title 35, United States Code, is amended to read as follows:*

*"(c)(1) The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable. The Commissioner may require the payment of a surcharge*

*as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Commissioner accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.*

*"(2) No patent, the term of which has been maintained as a result of the acceptance of a payment of a maintenance fee under this subsection, shall abridge or affect the right of any person or his successors in business who made, purchased or used after the six-month grace period but prior to the acceptance of a maintenance fee under this subsection anything protected by 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. The 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 manufacture, use or sale of which substantial preparation was made after the six-month grace period but before the acceptance of a maintenance fee under this subsection, and it may also provide for the continued practice of any process, practiced, or for the practice of which substantial preparation was made, after the six-month grace period but prior to the acceptance of a maintenance fee under this subsection, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced*

*after the six-month grace period but before the acceptance of a maintenance fee under the subsection.".*

*(d) Section 41(d) of title 35, United States Code, is amended to read as follows:*

*"(d) The Commissioner will establish fees for all other processing, services, or materials related to patents not specified above to recover the estimated average cost to the Office of such processing, services, or materials. The yearly fee for providing a library specified in section 13 of this title with uncertified printed copies of the specifications and drawings for all patents issued in that year will be $50.".*

*(e) Section 41(f) of title 35, United States Code, is amended to read as follows:*

*"(f) The fees established in subsections (a) and (b) of this section may be adjusted by the Commissioner on October 1, 1985, and every third year thereafter, to reflect any fluctuations occurring during the previous three years in the Consumer Price Index, as determined by the Secretary of Labor. Changes of less than 1 per centum may be ignored.".*

*(f) Subsection (a) of section 31 of the Trademark Act of 1946, as amended (15 U.S.C. 1113), is amended by deleting "Fees will be set and adjusted by the Commissioner to recover in aggregate 50 per centum of the estimated average cost to the Office of such processing. Fees for all other services or materials related to trademarks and other marks will recover*

*the estimated average cost to the Office of performing the service or furnishing the material.".*

*(g) Section 42(c) of title 35, United States Code, is amended by adding the following sentence at the end thereof: "Fees available to the Commissioner under section 31 of the Trademark Act of 1946, as amended (15 U.S.C. 1113), shall be used exclusively for the processing of trademark registrations and for other services and materials related to trademarks.".*

*SEC. 4. Section 3(a) of title 35, United States Code is amended (1) by deleting the phrase "not more than fifteen"; and (2) by inserting the phrase "appointed under section 7 of this title" immediately after the phrase "examiners-in-chief".*

*SEC. 5. Section 111 of title 35, United States Code, is amended to read as follows:*

*"SEC. 111. Application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include (1) a specification as prescribed by section 112 of this title; (2) a drawing as prescribed by section 113 of this title; and (3) an oath by the applicant as prescribed by section 115 of this title. The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within such period and under such*

*conditions, including the payment of a surcharge, as may be prescribed by the Commissioner. Upon failure to submit the fee and oath within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee and oath was unavoidable. The filing date of an application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.".*

*SEC. 6. (a) Section 116 of title 35, United States Code, is amended (1) by deleting the phrase "Joint inventors" from the title and inserting in its place "Inventors"; and (2) in the third paragraph, by deleting the phrase "a person is joined in an application for patent as joint inventor through error, or a joint inventor is not included in an application through error" and inserting in its place the phrase "through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application".*

*(b) Section 256 of title 35, United States Code, is amended to read as follows:*

***"§ 256. Correction of named inventor***

*"Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, the Commissioner may,*

*on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.*

*"The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Commissioner shall issue a certificate accordingly.".*

*SEC. 7. Section 6 of title 35, United States Code, is amended by deleting paragraph (d) thereof.*

*SEC. 8. (a) Section 8(a) of the Trademark Act of 1946, as amended (15 U.S.C. 1058(a)), is amended (1) by deleting the word "still"; and (2) by inserting the phrase "in commerce" immediately after the word "use".*

*(b) Section 8(b) of the Trademark Act of 1946, as amended (15 U.S.C. 1058(b)), is amended (1) by deleting the word "still"; and (2) by inserting the phrase "in commerce" immediately after the word "use".*

*SEC. 9. (a) Section 13 of the Trademark Act of 1946, as amended (15 U.S.C. 1063), is amended (1) by deleting the phrase "a verified" and inserting in its place the word "an"; (2) by adding the phrase "when requested prior to the*

*expiration of an extension" immediately after the word "cause"; and (3) by deleting the fourth sentence.*

*(b) Section 14 of the Trademark Act of 1946, as amended (15 U.S.C. 1064), is amended by deleting the word "verified".*

*SEC. 10. Section 15 of the Trademark Act of 1946, as amended (15 U.S.C. 1065), is amended by deleting the phrase "the publication" and inserting in its place the word "registration".*

*SEC. 11. The first sentence of section 16 of the Trademark Act of 1946, as amended (15 U.S.C. 1066), is amended to read as follows: "Upon petition showing extraordinary circumstances, the Commissioner may declare that an interference exists when application is made for the registration of a mark which so resembles a mark previously registered by another, or for the registration of which another has previously made application, as to be likely when applied to the goods or when used in connection with the services of the applicant to cause confusion or mistake or to deceive.".*

*SEC. 12. Section 21 of title 35, United States Code, is amended—*

*(1) by deleting the phrase "Day for taking action falling on Saturday, Sunday, or holiday" from the title and inserting in its place the phrase "Filing date and day for taking action";*

*(2) by inserting the following as subsection (a):*

*"(a) The Commissioner may by rule prescribe that any paper or fee required to be filed in the Patent and Trademark Office will be considered filed in the Office on the date on which it was deposited with the United States Postal Service or would have been deposited with the United States Postal Service but for postal service interruptions or emergencies designated by the Commissioner.";*

*(3) by designating the existing paragraph as subsection (b); and*

*(4) by inserting the word "federal" in subsection (b), as designated above, immediately after the word "a".*

*SEC. 13. Section 6(a) of title 35, United States Code, is amended (1) by deleting the word "and", third occurrence, and inserting in its place a comma; (2) by inserting the phrase ", or exchanges of items or services" immediately after the word "programs"; and (3) by inserting the phrase "or the administration of the Patent and Trademark Office" immediately after the word "law", second occurrence.*

*SEC. 14. (a) Section 115 of title 35, United States Code, is amended by (1) deleting the phrase "shall be" and inserting in its place the word "is"; and (2) inserting the following immediately after the phrase "United States", third occurrence: ", or apostille of an official designated by a*

*foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States".*

*(b) Section 261 of title 35, United States Code, is amended, in the third paragraph, by inserting the following immediately after the phrase "United States", third occurrence: ", or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States".*

*(c) Section 11 of the Trademark Act of 1946, as amended (15 U.S.C. 1061), is amended by (1) deleting the phrase "shall be", first occurrence, and inserting in its place the word "is"; and (2) inserting the following immediately after the phrase "United States", third occurrence: ", or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States".*

*SEC. 15. Section 13 of title 35, United States Code, is amended by deleting "(a) 9" and inserting in its place "(d)".*

*SEC. 16. Section 173 of title 35, United States Code, is amended to read as follows: "Patents for designs shall be granted for the term of fourteen years."*

*SEC. 17. (a) Sections 1, 2, 4, 7, and 13 through 15 of this Act shall take effect on the date of enactment of this Act. Sections 3 and 16 of this Act shall take effect on October 1,*

*1982. The maintenance fees provided for in section 3(b) of this Act shall not apply to patents applied for prior to the date of enactment of this Act. Each patent applied for on or after the date of enactment of this Act shall be subject to the maintenance fees established pursuant to section 3(b) of this Act or to maintenance fees hereafter established by law, as to the amounts paid and the number and timing of the payments.*

*(b)(1) Title 35, United States Code, is amended by inserting after section 293 the following new section of chapter 29:*

***"§ 294. Voluntary arbitration***

*"(a) A contract involving a patent or any right under a patent may contain a provision requiring arbitration of any dispute relating to patent validity or infringement arising under the contract. In the absence of such a provision, the parties to an existing patent validity or infringement dispute may agree in writing to settle such dispute by arbitration. Any such provision or agreement shall be valid, irrevocable, and enforceable, except for any grounds that exist at law or in equity for revocation of a contract.*

*"(b) Arbitration of such disputes, awards by arbitrators and confirmation of awards shall be governed by title 9, United States Code, to the extent such title is not inconsistent with this section. In any such arbitration proceeding, the defenses provided for under section 282 of this title shall be*

*considered by the arbitrator if raised by any party to the proceeding.*

*"(c) An award by an arbitrator shall be final and binding between the parties to the arbitration but shall have no force or effect on any other person. The parties to an arbitration may agree that in the event a patent which is the subject matter of an award is subsequently determined to be invalid or unenforceable in a judgment rendered by a court to competent jurisdiction from which no appeal can or has been taken, such award may be modified by any court of competent jurisdiction upon application by any party to the arbitration. Any such modification shall govern the rights and obligations between such parties from the date of such modification.*

*"(d) When an award is made by an arbitrator, the patentee, his assignee or licensee shall give notice thereof in writing to the Commissioner. There shall be a separate notice prepared for each patent involved in such proceeding. Such notice shall set forth the names and addresses of the parties, the name of the inventor, and the name of the patent owner, shall designate the number of the patent, and shall contain a copy of the award. If an award is modified by a court, the party requesting such modification shall give notice of such modification to the Commissioner. The Commissioner shall, upon receipt of either notice, enter the same in the record of the prosecution of such patent. If the required notice is not*

*filed with the Commissioner, any party to the proceeding may provide such notice to the Commissioner.*

*"(e) The award shall be unenforceable until the notice required by subsection (d) is received by the Commissioner.".*

*(2) The analysis for chapter 29 of title 35 of the United States Code is amended by adding at the end the following:*

*"294. Voluntary arbitration.".*

*(c) Sections 5, 6, 8 through 12, and 17(b) of this Act shall take effect six months after enactment.*

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