Calendar No. 377

102D CONGRESS
1ST SESSION

S. 793

[Report No. 102–245]

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

IN THE SENATE OF THE UNITED STATES

APRIL 9, 1991

Mr. DECONCINI (for himself and Mr. HATCH) (by request) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

NOVEMBER 26 (legislative day NOVEMBER 23), 1991

Reported by Mr. BIDEN, with an amendment

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

A BILL

To authorize appropriations for 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,

~~SECTION 1. AUTHORIZATION OF APPROPRIATIONS.~~

~~(a) IN GENERAL.—There are authorized to be appropriated to the Patent and Trademark Office for salaries~~

and $102,300,000 for fiscal year 1993. Of such amounts, $95,000,000 for fiscal year 1992 and $99,000,000 for fiscal year 1993 shall be derived from deposits in the Patent and Trademark Office Fee Surcharge Fund as established under section 10101 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508).

(b) CREDIT OF CERTAIN REVENUES.—Notwithstanding the provisions of section 10101 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), revenues from Patent and Trademark Office surcharges in excess of $88,000,000 in fiscal year 1991, $95,000,000 in fiscal year 1992, and $99,000,000 in fiscal year 1993, shall be credited to Salaries and Expenses, Patent and Trademark Office, without further appropriations actions in the same manner as fees authorized under subsections (a) and (b) of section 41 of title 35, United States Code.

(c) NO REVISION OF SURCHARGE.—Notwithstanding section 10101(c) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), the Commissioner of Patents and Trademarks shall not revise the surcharge set under section 10101(a) of such Act in fiscal years 1992 and 1993.

(d) APPROPRIATIONS TO REMAIN AVAILABLE UNTIL EXPENDED.—Amounts appropriated pursuant to this Act

and such fees as may be collected under chapter 4 of title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) shall remain available until expended.

SEC. 2. OVERSIGHT OF PATENT AND TRADEMARK FEES.

On the date each year that the President submits the budget to the Congress under section 1105 of title 31, United States Code, the Secretary of Commerce shall submit to the Committees on the Judiciary of the Senate and the House of Representatives—

(1) a list of patent and trademark fee collections by the Patent and Trademark Office during the preceding fiscal year;

(2) a list of activities of the Patent and Trademark Office during the preceding fiscal year which were supported by patent fee expenditures, trademark fee expenditures, and appropriations;

(3) budget plans for significant programs, projects, and activities of the Patent and Trademark Office, including out-year funding estimates;

(4) any proposed disposition of surplus fees by the Patent and Trademark Office; and

(5) such other information as the Committees consider necessary.

SEC. 3. PATENT AND TRADEMARK FEES.

(a) PATENT FEES.—Section 41 of title 35, United States Code, is amended—

(1) by amending subsection (d) to read as follows:

"(d) The Commissioner will establish fees for all other processing, services, or materials related to patents not specified above or authorized elsewhere to recover, in the aggregate with other revenues, the estimated cost of the operations of the Patent and Trademark Office. 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.";

(2) by amending subsections (f) and (g) 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, 1993, and every second year thereafter, to reflect any fluctuations occurring during the previous 2 years in the Consumer Price Index, as determined by the Secretary of Labor. Changes of less than 1 percent may be ignored.

"(g) No fee established by the Commissioner under this section will take effect prior to 30 days following notice in the Federal Register.";

(3) in subsection (h) by amending paragraph (1) to read as follows:

"(h)(1) Fees charged under subsection (a) on filing any application for a patent shall be reduced by 50 percent with respect to their application to any small business concern as defined under section 3 of the Small Business Act, and to any independent inventor or nonprofit organization as defined in regulations issued by the Commissioner of Patents and Trademarks."; and

(4) by adding at the end thereof the following new subsection:

"(i)(1) The Commissioner of Patents and Trademarks shall maintain, for use by the public, paper or microform collections of United States patents, foreign patent documents, and United States trademark registrations arranged to permit search for and retrieval of information. The Commissioner may not impose fees directly for use of such collections, or for use of the public patent or trademark search rooms or libraries.

"(2) The Commissioner of Patents and Trademarks may establish reasonable fees for access by the public to automated search systems of the Patent and Trademark Office. If such fees are established, a limited amount of free access shall be made available to all users of the systems for purposes of education and training. The Commis-

sioner may waive the payment by an individual of fees authorized by this subsection upon a showing of need or hardship, and if such a waiver is in the public interest.''.

(b) PATENT AND TRADEMARK OFFICE FUNDING.—Section 42(c) of title 35, United States Code, is amended to read as follows:

''(c) Revenues from fees will be available to the Commissioner of Patents and Trademarks to carry out, to the extent provided for in appropriations Acts, the activities of the Patent and Trademark Office. Fees available to the Commissioner under section 31 of the Trademark Act of 1946, as amended, shall be used for the processing of trademark registrations and for other activities, services and materials relating to trademarks. Trademark fees collected may only be reprogrammed for other purposes subject to the procedures for reprogramming set forth in the Department of Commerce's annual appropriations Act.''.

(c) TRADEMARK FEES.—Section 31(a) of the Trademark Act of 1946 (15 U.S.C. 1113), is amended to read as follows:

''(a) The Commissioner will establish fees for the filing and processing of an application for the registration of a trademark or other mark and for all other services performed by and materials furnished by the Patent and Trademark Office related to trademarks and other marks.

However, no fee for the filing or processing of an application for the registration of a trademark or other mark or for the renewal or assignment of a trademark or other mark will be adjusted more than once every 2 years. No fee established under this section will take effect prior to 30 days following notice in the Federal Register.''.

SEC. 4. USE OF EXCHANGE AGREEMENTS RELATING TO AUTOMATIC DATA PROCESSING RESOURCES PROHIBITED.

During fiscal years 1992 and 1993, the Commissioner of Patents and Trademarks may not enter into any agreement for the exchange of items or services (as authorized under section 6(a) of title 35, United States Code) relating to automatic data processing resources (including hardware, software and related services, and machine readable data). The preceding sentence shall not apply to an agreement relating to data for automation programs which is entered into with a foreign government or with an international intergovernmental organization.

SEC. 5. REPEAL OF MISCELLANEOUS FEE PROVISIONS.

Subsections (b) and (c) of section 104 of the Act entitled ''An Act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes'', approved November 19, 1988 (35

~~U.S.C. 41 note; Public Law 100–703; 102 Stat. 4675) are repealed.~~

~~SEC. 6. EFFECTIVE DATE.~~

~~The provisions of this Act and the amendments made by this Act shall be effective on and after October 1, 1991, and shall apply to all payments of fees made on or after such date.~~

SECTION 1. SHORT TITLE.

This Act may be cited as the "Patent and Trademark Office Authorization Act of 1991".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated to the Patent and Trademark Office for fiscal year 1992—

(1) $95,000,000 for salaries and necessary expenses, which shall be derived from deposits in the Patent and Trademark Office Fee Surcharge Fund established under section 10101 of the Omnibus Reconciliation Act of 1990 (Public Law 101–508);

(2) such sums, other than the amount described under paragraph (1), as are equal to the amount collected during that year from fees under title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.); and

(3) $3,300,000 for administrative capital, or other expenditures not provided for under paragraphs (1) and (2).

(b) AMENDMENTS TO BUDGET RECONCILIATION ACT.—Section 10101 of the Omnibus Reconciliation Act of 1990 (Public Law 101–508) is amended by striking out subsections (a), (b), and (c) and inserting in lieu thereof the following:

"(a) FEES.—(1) Of the fees authorized under title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.), the following amounts shall be deposited in a separate account established in the Treasury and ascribed to the Patent and Trademark Office activities in the Department of Commerce, and of these amounts, the following shall be available only to the Patent and Trademark Office, to the extent provided in appropriation Acts, for all authorized activities and operations of the Office, including all direct and indirect costs of services provided by the Office:

"(A) $95,000,000 in fiscal year 1992.

"(B) $99,000,000 in fiscal year 1993.

"(C) $103,000,000 in fiscal year 1994.

"(D) $107,000,000 in fiscal year 1995.

"(2) All other amounts generated by the fees established under title 35, United States Code, and the Trademark Act

of 1946 (15 U.S.C. 1051 et seq.) shall be credited to the appropriations for the Patent and Trademark Office.".

SEC. 3. APPROPRIATIONS AUTHORIZED TO BE CARRIED OVER.

Amounts appropriated under this Act and such fees as may be collected under title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.) may remain available until expended.

SEC. 4. OVERSIGHT OF PATENT AND TRADEMARK FEES.

Section 42 of title 35, United States Code, is amended by adding at the end the following:

"(e) The Secretary of Commerce shall, on the day each year on which the President submits the annual budget to the Congress, provide to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives—

"(1) a list of patent and trademark fee collections by the Patent and Trademark Office during the preceding fiscal year;

"(2) a list of activities of the Patent and Trademark Office during the preceding fiscal year which were supported by patent fee expenditures, trademark fee expenditures, and appropriations;

"(3) budget plans for significant programs, projects, and activities of the Office, including out-year funding estimates;

"(4) any proposed disposition of surplus fees by the Office; and

"(5) such other information as the committees consider necessary.".

SEC. 5. PATENT AND TRADEMARK FEES.

(a) FEE SCHEDULES.—(1) Section 41(a) of title 35, United States Code, is amended to read as follows:

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

"(1)(A) On filing each application for an original patent, except in design or plant cases, $670.

"(B) In addition, on filing or on presentation at any other time, $60 for each claim in independent form which is in excess of 3, $20 for each claim (whether independent or dependent) which is in excess of 20, and $210 for each application containing a multiple dependent claim.

"(2) For issuing each original or reissue patent, except in design or plant cases, $1,120.

"(3) In design and plant cases—

"(A) on filing each design application, $270;

"(B) on filing each plant application, $450;

"(C) on issuing each design patent, $400; and

"(D) on issuing each plant patent, $560.

"(4)(A) On filing each application for the reissue of a patent, $670.

"(B) In addition, on filing or on presentation at any other time, $60 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $20 for each claim (whether independent or dependent) which is in excess of 20 and also in excess of the number of claims of the original patent.

"(5) On filing each disclaimer, $110.

"(6)(A) On filing an appeal from the examiner to the Board of Patent Appeals and Interferences, $260.

"(B) In addition, on filing a brief in support of the appeal, $260, and on requesting an oral hearing in the appeal before the Board of Patent Appeals and Interferences, $210.

"(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, $1,120, unless the petition is

filed under section 133 or 151 of this title, in which case the fee shall be $110.

"(8) For petitions for 1-month extensions of time to take actions required by the Commissioner in an application—

"(A) on filing a first petition, $110;

"(B) on filing a second petition, $210; and

"(C) on filing a third petition or subsequent petition, $460.

"(9)(A) A basic national fee for an international application where the Patent and Trademark Office was the International Preliminary Examining Authority and the International Searching Authority, $600.

"(B) A basic national fee for an international application where the Patent and Trademark Office was the International Searching Authority but not the International Preliminary Examining Authority, $670.

"(C) A basic national fee for an international application where the Patent and Trademark Office was neither the International Searching Authority nor the International Preliminary Examining Authority, $900.

"(D) A basic national fee for an international application where the international preliminary examination fee has been paid to the United States Patent and Trademark Office, and the international preliminary examination report states that the provisions of the Patent Cooperation Treaty Article 33 (2), (3), and (4) have been satisfied for all claims presented in the application entering the national stage, $90.

"(E) For filing or later presentation of each independent claim in the national stage of an international application in excess of 3, $60.

"(F) For filing or later presentation of each claim (whether independent or dependent) in a national stage of an international application in excess of 20, $20.

"(G) For each national stage of an international application containing a multiple dependent claim, $210.

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 addi-

tional fees may be rectified in accordance with regulations of the Commissioner.".

(2) Subsection (b) of section 41 of title 35, United States Code, is amended by striking out all beginning with "(b)" through paragraph 3. and inserting in lieu thereof the following:

"(b) The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

"(1) Three years and six months after grant, $890.

"(2) Seven years and six months after grant, $1,790.

"(3) Eleven years and six months after grant, $2,680.".

(b) SERVICE FEES.—Section 41(d) of title 35, United States Code, is amended to read as follows:

"(d) The Commissioner shall establish fees for all other processing, services, or materials relating to patents not specified in this section to recover in the aggregate (with the exception of the fees described in this subsection) the estimated average cost to the Office of such processing, services, or materials, except that the Commissioner shall charge the following fees for the following services:

"(1) For recording each document affecting title of a patent, $40.

"(2) For each photocopy, per page, $0.25.

"(3) For each black and white copy of a patent, $3.

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 in that year shall be $50.".

(c) AUTHORITY TO INCREASE FEES.—Section 41(f) of title 35, United States Code, is amended by striking "1985" and inserting "1994".

(d) NOTICE OF FEES.—Section 41(g) of title 35, United States Code, is amended to read as follows:

"(g) No fee established by the Commissioner under this section shall take effect until at least 30 days after notice of the fee has been published in the Federal Register and in the Official Gazette of the Patent and Trademark Office.".

(e) PATENT AND TRADEMARK COLLECTIONS; PUBLIC ACCESS.—(1) Section 41 of title 35, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) The Commissioner shall maintain, for use by the public, paper or microform collections of United States

patents, foreign patent documents, and United States trademark registrations arranged to permit search for and retrieval of information. The Commissioner may not impose fees directly for the use of such collections, or for the use of the public patent or trademark search rooms or libraries.

"(2) The Commissioner may establish reasonable fees for access by the public to the automated search systems of the Patent and Trademark Office. If such fees are established, a limited amount of free access shall be made available to users of the systems for purposes of education and training. The Commissioner may waive the payment by an individual of fees authorized by this subsection upon a showing of need or hardship, and if such a waiver is in the public interest.

"(3) The Commissioner shall submit to the Congress an annual report on the automated search systems of the Patent and Trademark Office and the access by the public to such systems. The Commissioner shall also publish such report in the Federal Register. The Commissioner shall provide an opportunity for the submission of comments by interested persons on each such report.".

(2)(A) The section heading for section 41 of title 35, United States Code, is amended to read as follows:

"§ 41. Patent fees; patent and trademark search systems".

(B) The table of sections at the beginning of chapter 4 of title 35, United States Code, is amended to read as follows:

"41. Patent fees; patent and trademark search systems.
"42. Patent and trademark office funding.".

(C) The chapter heading for chapter 4 of title 35, United States Code, is amended to read as follows:

"CHAPTER 4—PATENT FEES; FUNDING; SEARCH SYSTEMS".

(D) The items relating to chapters 3 and 4 in the table of chapters for part I of title 35, United States Code, are amended to read as follows:

"3. Practice Before Patent and Trademark Office 31
"4. Patent Fees; Funding; Search Systems ..... 41".

(f) USE OF FEES.—Section 42(c) of title 35, United States Code, is amended to read as follows:

"(c) Revenues from fees shall be available to the Commissioner to carry out, to the extent provided in appropriation Acts, the activities of the Patent and Trademark Office. Fees available to the Commissioner under section 31 of the Trademark Act of 1946 may be used only for the processing of trademark registrations and for other activities, services, and materials relating to trademarks and to cover a proportionate share of the administrative costs of the Patent and Trademark Office.".

(g) TRADEMARK FEES.—During fiscal year 1992, the Commissioner of Patents and Trademarks may, notwithstanding the second and third sentences of section 31(a) of the Trademark Act of 1946 (15 U.S.C. 1113(a)) increase fees established under such section, but only for purposes of making adjustments which in the aggregate do not exceed fluctuations during the previous 3 years in the Consumer Price Index, as determined by the Secretary of Labor. The Commissioner may not establish additional fees under such section during fiscal year 1992.

(h) CONFORMING AMENDMENTS RELATING TO INTERNATIONAL FEES.—(1) Section 376 of title 35, United States Code, is amended—

(A) by amending subsection (a) to read as follows:

"(a) The required payment of the international fee and the handling fee shall be paid in United States currency. The Patent and Trademark Office shall charge a national fee as provided in section 41(a) and may also charge the following fees:

"(1) A transmittal fee (referred to in section 361(d));

"(2) A search fee (referred to in section 361(d));

"(3) A supplemental search fee (to be paid when required);

"(4) A preliminary examination fee and any additional fees (referred to in section 262(b)); and

"(5) Such other fees as established by the Commissioner."; and

(B) in the third sentence of subsection (b) by inserting ", national fee," after "examination fee".

(2) Section 371(c)(1) of title 35, United States Code, is amended by striking "prescribed under section 376(a)(4) of this part" and inserting "provided in section 41(a) of this title".

SEC. 6. USE OF EXCHANGE AGREEMENTS RELATING TO AUTOMATIC DATA PROCESSING RESOURCES PROHIBITED.

The Commissioner of Patents and Trademarks may not, during fiscal years 1992, enter into any agreement for the exchange of items or services (as authorized under section 6(a) of title 35, United States Code) relating to automatic data processing resources (including hardware, software and related services, and machine readable data). The preceding sentence shall not apply to an agreement relating to data for automation programs which is entered into with a foreign government or with an international intergovernmental organization.

SEC. 7. INDEMNIFICATION OF EMPLOYEES.

The Commissioner of Patents and Trademarks is authorized to indemnify any officer or employee of the Patent and Trademark Office who participated in the Law School Tuition Assistance Program of the Patent and Trademark Office, against tax liability incurred as a result of payments made to law schools under that program in tax years 1988, 1989, and 1990.

SEC. 8. DUTIES OF COMMISSIONER.

Section 6(a) of title 35, United States Code, is amended by striking "; and" and inserting ", including programs to recognize, identify, assess and forecast the technology of patented inventions and their utility to industry; and".

SEC. 9. REPEAL OF PRIOR AUTHORIZATION ACTS.

Subsections (b) and (c) of section 104 of Public Law 100–703 are repealed.

SEC. 10. GAO REPORTING REQUIREMENT.

Section 202(b)(3) of title 35, United States Code, is amended by striking "each year" and inserting "every 5 years".

SEC. 11. PATENT INFORMATION DISSEMINATION.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "CD–ROMs" means compact discs formatted with read-only memory, including such discs that make use of advanced optical storage technology;

(2) the term "classified patent information" means patent information organized by the subject matter of the claimed invention according to the United States Patent Classification System or the classification system used by the country or authority that issues a patent;

(3) the term "Commissioner" means the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks; and

(4) the term "patent information" means a complete and exact facsimile of a patent or patent application including the text and all images contained therein, including drawings, diagrams, formulas, and tables.

(b) INFORMATION DISSEMINATION PROGRAM.—No later than January 1, 1992, the Commissioner shall establish a demonstration program which shall make patent information available in accordance with the provisions of this section, through October 1, 1992. The Commissioner shall produce master CD–ROMs containing classified patent information and provide copies of them to the public for purchase.

(c) INFORMATION TO BE DISSEMINATED.—The patent information that shall be disseminated pursuant to this section shall be patent information in the possession of the

Commissioner in computer readable form, including information on selected subclasses of United States patents, as determined by the Commissioner.

(d) FEES.—The Commissioner shall establish fees for the purchase of CD–ROMs, at a rate sufficient to recover the estimated average marginal cost of producing and processing purchase orders for copies of master CD–ROMs.

(e) REPORT.—On the date that is 1 year after the date of enactment of this Act the Commissioner shall submit to Congress a report on the implementation of this section.

SEC. 12. REFERENCE.

The term "Trademark Act of 1946" as used in this Act refers to "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provision of certain international conventions, and for other purposes," approved July 5, 1946 (15 U.S.C. 1051 et seq.), as most recently amended by title I of the "Trademark Law Revision Act of 1988", approved November 16, 1988 (Public Law No. 100–667, 102 Stat. 3935).

SEC. 13. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided under subsection (b), the provisions of this Act and the amendments made by this Act shall be effective on and after the date of the enactment of this Act.

(b) EFFECTIVE DATE OF FEES.—Notwithstanding any other provision of law, the Commissioner may adjust the fees under subsection 41(d) and section 376 of title 35, United States Code, and section 31 of the Trademark Act of 1946, after the date of enactment of this Act and these adjusted fees shall take effect the day after their publication in the Federal Register.

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Calendar No. 377

102D CONGRESS
1ST SESSION

S. 793

[Report No. 102-245]

A BILL

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

NOVEMBER 26 (legislative day, NOVEMBER 23), 1991

Reported with an amendment