

WAIVER OF PATENT AND TRADEMARK REQUIREMENTS IN
CERTAIN EMERGENCIES

APRIL 5, 2006.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 4742]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill
(H.R. 4742) to amend title 35, United States Code, to allow the Di-
rector of the Patent and Trademark Office to waive statutory provi-
sions governing patents and trademarks in certain emergencies,
having considered the same, report favorably thereon without
amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

The purpose of H.R. 4742 is to authorize the Director of the Pat-
ent and Trademark Office (PTO) to waive statutory provisions gov-
erning the filing, processing, renewal, and maintenance of patents,
trademark registrations, and applications in certain emergencies.

BACKGROUND AND NEED FOR THE LEGISLATION

The devastation caused by Hurricane Katrina in the Gulf region affected the ability of the PTO to adequately serve applicants, patentees, trademark holders, and other interested parties. The agency invoked as much administrative and statutory authority as it could to accommodate those affected. For example, PTO:

- created a toll-free hotline for victims to call with questions or problems;
- attempted to place calls to all registered practitioners in Alabama, Mississippi, and Louisiana;
- blocked outgoing mail to those living at relevant zip codes in the region;
- vacated all outstanding examiners actions, to be remailed at a later time; and
- accorded “special consideration” to all reductions of patent term adjustments where applicant delay was attributable to the Hurricane.

Despite its best efforts to date, PTO needs additional authority to provide individuals and businesses relief from certain statutory deadlines, especially those pertaining to the maintenance of granted patents and registered trademarks.

Granting this additional authority is consistent with recent action by the Committee and Congress to assist other individuals and institutions in the Gulf region. This includes enactment of legislation that allows Federal courts during emergency conditions to operate outside of their geographic domains;¹ provide transportation and subsistence expenses for indigent defendants;² and delay or toll judicial proceedings.³

HEARINGS

No hearings were held on H.R. 4742.

COMMITTEE CONSIDERATION

On March 1, 2006, the Subcommittee on Courts, the Internet, and Intellectual Property met in open session and ordered favorably reported the bill H.R. 4742 by voice vote, a quorum being present. On March 15, 2006, the Committee met in open session and ordered favorably reported the bill H.R. 4742 by voice vote, a quorum being present.

VOTE OF THE COMMITTEE

In compliance with clause 3(b) of Rule XIII of the Rules of the House of Representatives, the Committee notes that there were no recorded votes during the committee consideration of H.R. 4742.

¹Pub. L. No. 109–63 (H.R. 3650).

²Pub. L. No. 109–162 (§ 1198 of H.R. 3402/Department of Justice Authorization Appropriations Act, Fiscal Years 2006–2009; originally introduced as H.R. 4496).

³H.R. 3729/H.R. Rept. No. 109–371.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of Rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 4742, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 27, 2006.

Hon. F. JAMES SENSENBRENNER, Jr., *Chairman,*
Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4742, a bill to amend title 35, United States Code, to allow the Director of the Patent and Trademark Office to waive statutory provisions governing patents and trademarks in certain emergencies.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Melissa Z. Petersen, who can be reached at 226-2860.

Sincerely,

DOUGLAS HOLTZ-EAKIN.

Enclosure

cc: Honorable John Conyers, Jr.
Ranking Member

H.R. 4742—A bill to amend title 35, United States Code, to allow the Director of the Patent and Trademark Office to waive statutory provisions governing patents and trademarks in certain emergencies.

H.R. 4742 would authorize the Patent and Trademark Office (PTO) to waive certain requirements related to the processing and filing of patents and trademarks for applicants affected by an emergency or major disaster. CBO estimates that implementing H.R. 4742 would not have a significant net effect on spending subject to appropriation. Enacting the bill could affect direct spending in 2006, but CBO estimates that any such effects would not be significant. The bill would not affect revenues. For this estimate, CBO assumes the bill will be enacted near the end of fiscal year 2006.

H.R. 4742 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on State, local, or tribal governments.

Under current law, the PTO is authorized to collect fees from the public for specific activities related to processing applications for patents and trademarks. The collection and spending of those fees are subject to provisions in annual appropriation acts, and the fees are recorded in the budget as offsets to the discretionary spending of the PTO. To the extent that the PTO might waive or delay fee requirements for applicants affected by an emergency or major disaster, H.R. 4742 could decrease the amount of fees collected by the PTO. Based on information provided by the PTO, however, we estimate that H.R. 4742 would not result in a significant decrease in the amount of fees collected because of the small number of applicants likely to be affected in any year.

The CBO staff contact for this estimate is Melissa Z. Petersen, who can be reached at 226–2860. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

The Committee states that pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, the objective of H.R. 4742 is to authorize the PTO Director to waive statutory provisions governing the filing, processing, renewal, and maintenance of patents, trademark registrations, and applications in certain emergencies so as to protect the rights and privileges of affected parties. Quantifying the efficacy of this authority will be difficult, but the Committee will monitor the use of the Director's new power during the next statutorily defined "emergency" or "major disaster." The Committee is interested in learning about (1) the internal system developed by PTO to identify parties who are deserving of waiver treatment and (2) the frequency with which the Director finds it necessary to invoke the authority.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of Rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in art. I, § 8, of the Constitution.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

The following discussion describes the bill as reported by the Committee.

Sec. 1. Waiver of Patent and Trademark Requirements in Certain Emergencies.

Section 2 of the Patent Act⁴ enumerates specific "powers and duties" of the agency. Section 1 of H.R. 4742 creates a new subsection (e) to 35 U.S.C. § 2 which reads as follows:

"WAIVER OF REQUIREMENTS IN CERTAIN EMERGENCIES.—The Director may waive statutory provisions governing the filing, processing, renewal, and maintenance of patents, trademarks registrations, and applications therefor to the extent the Direc-

⁴Title 35, U.S. Code.

tor deems necessary in order to protect the rights and privileges of applicants and other persons affected by an emergency or a major disaster, as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5122). A decision not to exercise, or a failure to exercise, the waiver authority by this subsection shall not be subject to judicial review.”

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) 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 (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

SECTION 2 OF TITLE 35, UNITED STATES CODE

§ 2. Powers and duties

(a) * * *

* * * * *

(e) WAIVER OF REQUIREMENTS IN CERTAIN EMERGENCIES.—The Director may waive statutory provisions governing the filing, processing, renewal, and maintenance of patents, trademark registrations, and applications therefor to the extent the Director deems necessary in order to protect the rights and privileges of applicants and other persons affected by an emergency or a major disaster, as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122). A decision not to exercise, or a failure to exercise, the waiver authority provided by this subsection shall not be subject to judicial review.

MARKUP TRANSCRIPT

BUSINESS MEETING

WEDNESDAY, MARCH 15, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Committee met, pursuant to notice, at 10:13 a.m., in Room 2141, Rayburn House Office Building, the Honorable F. James Sensenbrenner, Jr. (Chairman of the Committee) presiding.

[Intervening business.]

Chairman SENSENBRENNER. The next item on the agenda is the adoption of H.R. 4742, to amend Title 35, United States Code, to allow the Director of the Patent and Trademark Office to waive statutory provisions governing patents and trademarks in certain emergencies.

The Chair recognizes the gentleman from Texas, Mr. Smith, the Chairman of the Subcommittee on Courts, the Internet, and Intellectual Property, for a motion.

Mr. SMITH. Mr. Chairman, the Subcommittee on Courts, the Internet, and Intellectual Property reports favorably the bill H.R. 4742 and moves its favorable recommendation to the full House.

Chairman SENSENBRENNER. Without objection, H.R. 4742 will be considered as read and open for amendment at any point.

[The bill, H.R. 4742, follows:]

109TH CONGRESS
2D SESSION

H. R. 4742

To amend title 35, United States Code, to allow the Director of the Patent and Trademark Office to waive statutory provisions governing patents and trademarks in certain emergencies.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2006

Mr. SMITH of Texas (for himself, Mr. BERMAN, and Mr. GOODLATTE) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 35, United States Code, to allow the Director of the Patent and Trademark Office to waive statutory provisions governing patents and trademarks in certain emergencies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. WAIVER OF PATENT AND TRADEMARK RE-**
4 **QUIREMENTS IN CERTAIN EMERGENCIES.**

5 Section 2 of title 35, United States Code, is amended
6 by adding at the end the following new subsection:

7 “(e) WAIVER OF REQUIREMENTS IN CERTAIN EMER-
8 GENCIES.—The Director may waive statutory provisions

1 governing the filing, processing, renewal, and maintenance
2 of patents, trademark registrations, and applications
3 therefor to the extent the Director deems necessary in
4 order to protect the rights and privileges of applicants and
5 other persons affected by an emergency or a major dis-
6 aster, as those terms are defined in section 102 of the
7 Robert T. Stafford Disaster Relief and Emergency Assist-
8 ance Act (42 U.S.C. 5122). A decision not to exercise, or
9 a failure to exercise, the waiver authority provided by this
10 subsection shall not be subject to judicial review.”.



Chairman SENSENBRENNER. The Chair recognizes the gentleman from Texas, Mr. Smith, for 5 minutes to explain the bill.

Mr. SMITH. Thank you, Mr. Chairman.

The devastation caused by Hurricane Katrina in the Gulf region affected the ability of applicants, patentees, trademark holders, and other interested parties to do business with the Patent and Trademark Office. At the time, the agency invoked as much administrative and statutory authority as it could to accommodate those affected.

Despite its best efforts to date, the PTO needs additional authority to provide individuals and businesses with relief from certain statutory deadlines, especially those pertaining to the maintenance of patents and trademarks. Granting such additional authority is consistent with recent action by the Committee and Congress to assist individuals and institutions in the Gulf region. This includes enactment of legislation that allows Federal courts during emergency conditions to operate outside of their geographic domains, to provide transportation and subsistence expenses for indigent defendants, and to delay judicial proceedings.

Pursuant to the bill, the PTO may waive statutory provisions governing the filing, processing, renewal, and maintenance of patents, trademarks, and applications to the extent the Director deems necessary to protect the rights and privileges of applicants and other persons affected by an emergency or a major disaster.

Mr. Chairman, this is a good bill that will help inventors, trademark holders, and other interested parties maintain their intellectual property rights under adverse conditions, and I urge my colleagues to support this bill.

Chairman SENSENBRENNER. The gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Mr. Chairman, this is a measure that lets the Director of the Patent and Trademark Office extend statutory deadlines in cases of national emergencies and disasters. I think it is a perfectly appropriate measure.

As we have seen, the devastation caused by Katrina and Rita showed we must plan ahead to make sure the Government can function in times of natural crises. We already have passed legislation to permit Federal courthouses to hold court in buildings outside their jurisdictions in such instances, and we must ensure that those with business before the Government do not lose their rights because of natural disasters.

A review of the law revealed that the Patent and Trademark Office needs specific legislative authority to extend filing and payment deadlines for persons seeking patent and trademark protection, and that is the goal that this bill accomplishes, and I urge its support and return the unused time.

Chairman SENSENBRENNER. Without objection, all Members may place opening statements in the record at this time. Are there amendments?

If there are no amendments, a reporting quorum is present. The question occurs on the motion to report the bill, H.R. 4742 favorably. All in favor, say aye.

Opposed, no.

The ayes appear to have it. The ayes have it. The motion to report favorably is agreed to.

Without objection, the staff is directed to make any technical and conforming changes, and all Members will be given 2 days, as provided by the House rules, in which to submit additional dissenting, supplemental or minority views.

[Intervening business.]

Chairman SENSENBRENNER. This concludes the items on the agenda. The Chair would like to thank everybody for their efficient processing of today's business, and without objection, the Committee stands adjourned.

[Whereupon, at 11:16 a.m., the Committee was adjourned.]

