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APPROVED
JAN 2-1975

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day: January 4 **

December 30, 1974

*Posted
1/3
To Archives
1/3*

MEMORANDUM FOR THE PRESIDENT
FROM: KEN COLL *C*
SUBJECT: Enrolled Bill H.R. 9199
Patent Law Amendments

Attached for your consideration is H.R. 9199, sponsored by Representative Railsback, which would:

- Amend the patent law to change the title of the present First Assistant Commissioner of Patents to Deputy Commissioner of Patents;
- change the method of appointment of appointing examiners-in-chief to classified civil service from Presidential appointment confirmed by the Senate; and
- broaden the authority of the Commissioner to accept late payment of patent issue fees.

OMB recommends approval and provides additional background information in its enrolled bill report (Tab A).

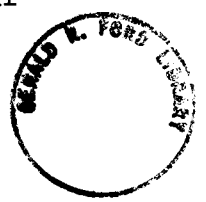
Max Friedersdorf and Phil Areeda both recommend approval.

RECOMMENDATION

That you sign H.R. 9199 (Tab B).

This bill signed before H.R. 7599

** Commerce recommends this bill be signed prior to your signing another patent bill, H.R. 7599.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 26 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9199 - Patent law amendments
Sponsor - Rep. Railsback (R) Illinois

Last Day for Action

January 4, 1975

Purpose

To amend the patent law to change the title of the First Assistant Commissioner; the method of appointing examiners-in-chief; and power of the Commissioner of Patents to accept late and retroactive patent issue fees.

Agency Recommendations

Office of Management and Budget

Approval

Department of Commerce
Civil Service Commission

Approval

Approval

Discussion

H.R. 9199 would amend several sections of Title 35 United States Code, "Patents," to:

- change the title of the present First Assistant Commissioner of Patents to Deputy Commissioner of Patents. This would be more accurately descriptive of the duties involved in the position
- change the method of appointment of 15 examiners-in-chief in the Patent Office to classified civil service from Presidential appointment confirmed by the Senate. Present examiners-in-chief would not be affected by the enrolled bill

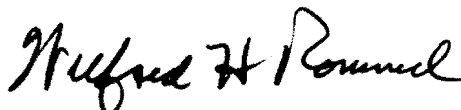


- broaden the authority of the Commissioner to accept late payment of patent issue fees. Presently, the Commissioner has no authority to excuse fees which are more than three months late. This provision would permit acceptance of any late fees when the delay in payment is shown to have been "unavoidable."

The House Judiciary Committee added an amendment, originally proposed by Commerce, which would limit the retroactivity of Commissioner's new authority to excuse late fees. The enrolled bill would provide that:

- no late fee may be excused prior to October 25, 1965, when the present law concerning issue fee payments became effective
- a patent term (normally 17 years) would expire one day early for each day payment of the issue fee is late. This would avoid unwarranted extensions of the expiration dates of patents by providing that the patent expiration date would not be delayed by the same amount of time that the issue date is delayed
- investors who have relied on the invalidity of patents abandoned due to unpaid issue fees would be protected in the event that the Commissioner allows retroactive payment.

The Department of Commerce reported to the Senate Committee on the Judiciary in detail on the proposed legislation. The enrolled bill incorporates all the suggested changes Commerce offered.



Assistant Director for
Legislative Reference

Enclosures



UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

December 26, 1974

IN REPLY PLEASE REFER TO

YOUR REFERENCE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

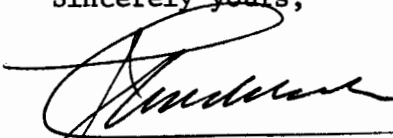
Dear Mr. Ash:

This is in reply to your request for the views of the Civil Service Commission on enrolled H.R. 9199, "To amend title 35, U. S. Code, "Patents," and for other purposes."

The Commission has reviewed the personnel provisions of the bill and finds no reason to object to them. Accordingly, we recommend that the President sign enrolled H.R. 9199.

By direction of the Commission:

Sincerely yours,


Acting Chairman



1883-1973

MERIT PRINCIPLES ASSURE QUALITY AND EQUAL OPPORTUNITY



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 26, 1974

MEMORANDUM FOR ROBERT D. LINDER

Subject: Enrolled Bills H.R. 9199 and H.R. 7599--
Patents

As you will note in the views letter of Commerce on these two bills, it recommends that H.R. 9199 be signed into law before H.R. 7599. I assume this means that the first would be signed a day or more earlier than the other.

Commerce points out that H.R. 9199 uses the terms "Patent Office" and "Commissioner of Patents" which are changed by the other bill.

Welfred H. Rommel

Assistant Director
for Legislative Reference



THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

DEC 26 1974

Honorable Roy Ash
Director
Office of Management and Budget
Washington, D.C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Ash:

This is in reply to your request for the views of this Department on H.R. 8981, H.R. 9199 and H.R. 7599, and their enrolled enactment.

The purpose of H.R. 8981 is to effect three minor changes in the Trademark Act of 1946, as amended:

(1) It would afford an automatic, 30-day extension on request in which to file an opposition to an application for a trademark registration, without need to give reasons showing good cause;

(2) It would eliminate as archaic the existing requirement that so-called "reasons of appeal" be filed with the Patent Office when appealing from the agency to the U.S. Court of Customs and Patent Appeals; and

(3) It would authorize award of attorney fees to the prevailing party in trademark litigation where justified by equitable considerations.

This bill was introduced at the request of the Department of Commerce as part of its legislative program for the 93rd Congress. Accordingly, we recommend approval of H.R. 8981 by the President.

H.R. 9199 changes the title of the First Assistant Commissioner of Patents to Deputy Commissioner of Patents; 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; 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, and it provides limited retro-activity with respect to the Commissioner's authority under section 3 of title 35, United States Code. Examiners-in-chief who are in office on the date of enactment of H.R. 9199 are continued in office.

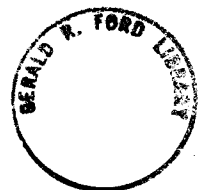
The purpose of H.R. 7599 is to change the name of the Patent Office to "Patent and Trademark Office" and the title of the Commissioner of Patents to "Commissioner of Patents and Trademarks." In changing the name of the Patent Office and the title of the Commissioner of Patents to include reference to trademarks, the legislation would reflect the dual role of the Patent Office which administers both the patent law and the Trademark Act of 1946. Although about 95 percent of the Patent Office budget is still devoted to patents, it is thought that the public would benefit from a clarification of the name of the Office and the title of the Commissioner. This bill was introduced at the request of the Department of Commerce as part of its legislative program for the 93rd Congress.

With the following proviso, we recommend approval of both H.R. 9199 and H.R. 7599 by the President. It is essential that the name change bill, H.R. 7599, be signed into law after H.R. 9199. This is required because H.R. 9199 uses the terms "Patent Office" and "Commissioner of Patents" which, if signed into law after H.R. 7599, would defeat the purpose of H.R. 7599.

Enactment of these bills will not require additional appropriations.

Sincerely.


John K. Tabor



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 26, 1974

MEMORANDUM FOR ROBERT D. LINDER

Subject: Enrolled Bills H.R. 9199 and H.R. 7599--
Patents

As you will note in the views letter of Commerce on these two bills, it recommends that H.R. 9199 be signed into law before H.R. 7599. I assume this means that the first would be signed a day or more earlier than the other.

Commerce points out that H.R. 9199 uses the terms "Patent Office" and "Commissioner of Patents" which are changed by the other bill.

(signed) ~~William E. Brock~~

Assistant Director
for Legislative Reference

To
Harrison Handwerker
12-26-74
7:00 p.m.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 26 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9199 - Patent law amendments
Sponsor - Rep. Railsback (R) Illinois

Last Day for Action

January 4, 1975

Purpose

To amend the patent law to change the title of the First Assistant Commissioner; the method of appointing examiners-in-chief; and power of the Commissioner of Patents to accept late and retroactive patent issue fees.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval
Civil Service Commission	Approval

Discussion

H.R. 9199 would amend several sections of Title 35 United States Code, "Patents," to:

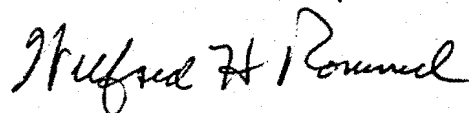
- change the title of the present First Assistant Commissioner of Patents to Deputy Commissioner of Patents. This would be more accurately descriptive of the duties involved in the position.
- change the method of appointment of 15 examiners-in-chief in the Patent Office to classified civil service from Presidential appointment confirmed by the Senate. Present examiners-in-chief would not be affected by the enrolled bill

- broaden the authority of the Commissioner to accept late payment of patent issue fees. Presently, the Commissioner has no authority to excuse fees which are more than three months late. This provision would permit acceptance of any late fees when the delay in payment is shown to have been "unavoidable."

The House Judiciary Committee added an amendment, originally proposed by Commerce, which would limit the retroactivity of Commissioner's new authority to excuse late fees. The enrolled bill would provide that:

- no late fee may be excused prior to October 25, 1965, when the present law concerning issue fee payments became effective
- a patent term (normally 17 years) would expire one day early for each day payment of the issue fee is late. This would avoid unwarranted extensions of the expiration dates of patents by providing that the patent expiration date would not be delayed by the same amount of time that the issue date is delayed
- investors who have relied on the invalidity of patents abandoned due to unpaid issue fees would be protected in the event that the Commissioner allows retroactive payment.

The Department of Commerce reported to the Senate Committee on the Judiciary in detail on the proposed legislation. The enrolled bill incorporates all the suggested changes Commerce offered.



Assistant Director for
Legislative Reference

Enclosures

THE WHITE HOUSE
WASHINGTON

ACTION MEMORANDUM

LOG NO.: 895

Date: December 28, 1974

Time: 8:00 p.m.

FOR ACTION: Geoff Shepard *oh*
Phil Aredda *no obj*
Max Friedersdorf *oh*

cc (for information):

Jerry Jones
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 1:00 p.m.

SUBJECT:

Enrolled Bills H.R. 9199 and H.R. 7599 - Patents

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 895

Date: December 28, 1974

Time: 8:00 p.m.

FOR ACTION: Geoff Shepard
Phil Areeda
Max Friedersdorf

cc (for information): Jerry Jones
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 1:00 p.m.

SUBJECT:

Enrolled Bills H.R. 9199 and H.R. 7599 - Patents

ACTION REQUESTED:

___ For Necessary Action

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Judy Johnston Ground Floor West Wing

*No Objections
of Held
PC*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: WARREN HENDRIKS
FROM: *Max L. Friedersdorf* MAX L. FRIEDERSDORF
SUBJECT: Action Memorandum - Log No. 895
Enrolled Bills H. R. 9199 & H. R. 7599

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 895

Date: December 28, 1974

Time: 8:00 p.m.

FOR ACTION: Geoff Shepard ✓
Phil Areeda
Max Friedersdorf

cc (for information): Jerry Jones
Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 1:00 p.m.

SUBJECT:

Enrolled Bills H.R. 9199 and H.R. 7599 - Patents

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston Ground Floor West Wing

*Approval of both bills.
Note: 9199 to be signed
one day earlier.
J.C.S.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

AMENDING TITLE 35, UNITED STATES CODE, "PATENTS"

DECEMBER 17, 1974.—Ordered to be printed

MR. McCLELLAN, from the Committee on the Judiciary,
submitted the following

REPORT

[To accompany H.R. 9199]

The Committee on the Judiciary, to which 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 without amendment and recommends that the bill do pass.

STATEMENT

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)).

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 pro-

viding 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.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, 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 GRANTS 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.

○

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 continued 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 business 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.



Ninety-third Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four

An Act

To amend title 35, United States Code, "Patents", and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3, title 35, of the United States Code is amended to read as follows:

"§ 3. Officers and employees

"(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."

SEC. 2. The first paragraph of section 7 of title 35 of the United States Code is amended to read as follows:

"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 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."

SEC. 3. The last sentence of section 151 of title 35 of the United States Code is amended to read as follows: "If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and 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."

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 89-93; *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 provisions of PL 89-83 and for which a late payment of the issue fee is accepted under the authority created by Section 3

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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 manufacture, 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 continued 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 business commenced before the grant or restoration of the patent.

(b) This Act shall be effective upon enactment. Examiners-in-chief in office on the date of enactment shall continue in office under and in accordance with their then existing appointments.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*