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(2004). Congressional Record, 150(Number 90), S7505-S7528.

Chicago 17th ed.
"," Congressional Record 150, no. Number 90 (06/25/2004): S7505-S7528

AGLC 4th ed.
" (2004) 150(Number 90) Congressional Record S7505

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John Marshall Evans, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Armenia.

Tom C. Korologos, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Douglas L. McElhaney, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bosnia and Herzegovina.

William T. Monroe, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Bahrain.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

FOREIGN SERVICE

PN1645 Foreign Service nominations (173) beginning Jean Elizabeth Akers, and ending Jenifer Lynn Neidhart de Ortiz, which nominations were received by the Senate and appeared in the Congressional Record of May 18, 2004.

NOMINATIONS DISCHARGED

Mr. FRIST. Continuing in executive session, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of the following nominations: June Carter Perry, PN1548; Joyce Barr, PN1546; Barrie Walkley, PN1550; James McGee, PN1541, Cynthia Efird, PN1621; Jackson McDonald, PN1419; Christopher Dell, PN1629.

I further ask consent that the Senate proceed to their consideration, the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

June Carter Perry, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

Joyce A. Barr, of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Namibia.

R. Barrie Walkley, of California, a Career Member of the Senior Foreign Service, Class of Minister Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Sao Tome and Principe.

James D. McGee, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Madagascar.

Cynthia G. Efird, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Angola.

Jackson McDonald, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Christopher William Dell, of New Jersey, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zimbabwe.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate resumes legislative session.

AUTHORITY TO FILE

Mr. FRIST. I ask unanimous consent, notwithstanding the Senate's adjournment, committees be authorized to report legislative and executive matters on Wednesday, June 30, from 10 a.m. to 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

SIGNING AUTHORITY

Mr. FRIST. I ask unanimous consent that during the adjournment of the Senate, the Senator from Virginia and the majority leader be authorized to sign duly enrolled bills or joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO MAKE APPOINTMENTS

Mr. FRIST. I ask unanimous consent, notwithstanding the upcoming recess or adjournment of the Senate, the President of the Senate, the President pro tempore, and the majority and minority leaders be authorized to make appointments to commissions, committees, boards, conferences, or interparliamentary conferences authorized by law, by concurrent action of the two Houses, or by order of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

COOPERATIVE RESEARCH AND TECHNOLOGY ENHANCEMENT ACT OF 2004

Mr. FRIST. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 484, S. 2192.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2192) to amend title 35, United States Code, to promote cooperative research involving universities, the public sector, and private enterprises.

There being no objection, the Senate proceeded to consider the bill.

Mr. HATCH. Madam President, I rise today to support passage of S. 2192, the Cooperative Research and Technology Enhancement Act of 2004 or CREATE Act. I am pleased that the Senate is considering this important patent legislation. I would like to thank Senators LEAHY, KOHL, GRASSLEY, FEINGOLD and SCHUMER, for their work on, and cosponsorship of, this bill.

The CREATE Act responds to an important need of our inventive community. This act will encourage greater cooperation among universities, public research institutions and the private sector. It does so by enabling these parties to share freely information among researchers that are working under a joint research agreement to develop new technology. It also allows these entities, particularly universities, to structure their relationships with other research collaborators in a more flexible manner.

The CREATE Act has benefited significantly from the commendable work of our colleagues in the House. In particular, we take note of the House Report, H. Rep. 108–425, which accompanied passage of H.R. 2391, the House counterpart of S. 2192. The committee notes that the House report addresses a number of important issues related to the implementation of the act, and provides necessary guidance to the Patent and Trademark Office as to its responsibilities under the legislation.

In the interest of further transparency and guidance, and importantly to prevent the public from being subject to separate enforcement actions by owners of patentably indistinct patents, we offer the following guidance on some key aspects of this legislation. We believe that this guidance is entirely consistent with the policy objectives of the House Report, but explicate some of the most critical and complex aspects of the intended operation of the CREATE Act where multiple patents issue on the patentably indistinct inventions.

As the House report correctly notes, the CREATE Act will enable different parties to obtain and separately own patents with claims that are not patentably distinct—in other words, where the claim in one patent would be "obvious" in view of a claim in the other patent. The courts and the U.S. Patent and Trademark Office term this "nonstatutory" and "obviousness-type" double patenting. This is not the first time that Congress has amended the patent laws in a manner that has expanded opportunities for double patenting. The Patent Law Amendments Act of 1984 first created the opportunity for double patenting for patents issued to different inventors that were owned by one entity or which were commonly assigned. In the legislative history for the Patent Law Amendments Act of 1984, Congress indicated its expectation that any newly created opportunities for double patenting would be treated no differently than double patenting for patents issued to the same inventor. We do the same today with respect to the remedial provision in the CREATE Act, but discuss

the form of disclaimer that is required of the patent owner whenever double patenting exists.

At its core, the double patenting doctrine addresses the situation where multiple patents have issued with respective claims in the different patents that meet one or more of the relationship tests set out by the courts. Double patenting can arise when the two involved patents are determined not to relate to independent and distinct inventions. It can also arise if a claim in a later-issued patent would not be novel with respect to a claim in a first-issued patent. A third type of double patenting—and perhaps the most common—is where a claim in a later-issued patent is obvious in view of a claim in a first-issued patent. Whatever the relationship that forms the basis for the double patenting, the current principles governing double patenting should be applied to all such situations involving the issuance of double patents where the provisions of the CREATE Act apply.

The double patenting doctrine exists as a matter of policy to prevent a multiplicity of patents claiming patentably indistinct inventions from becoming separately owned and enforced. Thus, it applies to situations where multiple patents have issued, even if the patents are filed on the same day, issue on the same day and expire on the same day. All that is required for double patenting to arise is that one or more claims in each of the involved patents is determined to represent double patenting under established principles of law. The double patenting doctrine can invalidate claims in any later or concurrently issued patent if those claims are determined to represent double patenting with respect to any of the claims in a first-issued patent. For clarity, any later or concurrently issued patent that creates double patenting can simply be termed a "patentably indistinct patent" with respect to the first-issued patent.

Invalidity of the patentably indistinct claims under the doctrine of double patenting can be avoided, however, if an appropriate disclaimer is filed in the patent containing those claims. Under existing practice in the U.S. Patent and Trademark Office, the disclaimer must be filed in the patent with the patentably indistinct claims and must reference the first-issued patent against which the disclaimer applies. Thus, the disclaimer only affects the ability to enforce the disclaimed patent, and historically has not affected the enforceability of the first-issued patent against which the disclaimer has been made. Accordingly, under existing double patenting principles, if the indistinct patent becomes separately owned, i.e., such that it can be separately enforced, the disclaimed patent is rendered invalid in accordance with the terms of the required disclaimer, while the first-issued patent's enforceability is unaffected.

Patents issued after enactment of the CREATE Act will be enforceable in the same manner and to the same extent as when patents are issued to a common owner or are subject to common assignment. One modification of existing disclaimer practice, however, is needed for double patenting to achieve its policy objectives where the CREATE Act applies. The CREATE Act will now permit patents with patentably indistinct claims to be separately owned, but remain valid. Heretofore, this separate ownership would have rendered the indistinct patent invalid. To protect the public interest, these separately owned patents must be subjected to a new form of disclaimer that will protect the public against separate actions for enforcement of both the first-issued patent and any patents with claims that are not patentably distinct over the claims of the first-issued patent.

Accordingly, in every situation where double patenting is created based upon revised section 103(c), the patentably indistinct patent must include a disclaimer that will require the owner of that patent to waive the right to enforce that patent separately from the first-issued patent. The disclaimer also must limit, as is required for all disclaimers related to double patenting, the disclaimed patent such that it can be enforced only during the term of the first-issued patent.

Additionally, the disclaimer required for the valid issuance of a patentably indistinct patent pursuant to the CREATE Act must apply to all owners of all involved patents, i.e., the owner of the patentably indistinct patents as well as any owners of any first-issued patents against which the disclaimer is made. In order for this to be the case, the CREATE Act effectively requires parties that separately own patents subject to the CREATE Act to enter into agreements not to separately enforce patents where double patenting exists and to join in any required disclaimer if the parties intend to preserve the validity of any patentably indistinct patent for which a disclaimer is required.

To give effect to this requirement, the disclaimer in the patentably indistinct patent must be executed by all involved patent owners, as the right to separately enforce the first-issued patent apart from the patentably indistinct patent cannot be avoided unless the owner of the first-issued patent has disclaimed its right to do so. If an enforcement action is brought with respect to a patentably indistinct patent, but the owner of the first-issued patent was not a party to the disclaimer, and had not disclaimed separate enforceability of the first-issued patent once an enforcement action had been commenced on the indistinct patent, the owner of the first-issued patent could not legally be prevented from bringing a later action for infringement against the same party absent disclaiming the right to do so. Thus, the disclaimer of the separate enforceability of an indistinct patent cannot be assured unless the owner of a second indistinct patent has an agreement with the owner of the first-owned patent prohibiting the right of separate enforcement. The CREATE Act will not require the owner of a first-issued patent or an indistinct patent to enforce any such patent. Rather, the prohibition against separate enforcement described above is necessary to address the sole policy objective of preventing different patent owners from separately enforcing a first-issued patent and a related indistinct patent.

Also as indicated in the House report, we expect the U.S. Patent and Trademark Office to take such steps as are necessary to implement the requirements of this act in the manner we have described. In particular, the Patent and Trademark Office should exercise its responsibility for determining the necessity for, and for requiring the submission and recording of, disclaimers in patent applications and to promulgate such regulations as are necessary including, inter alia, rules analogous to 37 CFR §1.321, that requires disclaimers in patent applications where double patenting exists. To meet the requirements of the act, the parties to the joint research agreement must agree to accept the conditions concerning common term and the prohibition against separate patent enforcement and all involved parties must agree to be signatories to any required terminal disclaimer. I do not believe any particular form need be followed to give effect to this requirement, and that the Office will address these issues pursuant to its implementation of the act.

The House indicated in its committee report that a joint research agreement may be evidenced by one or more writings. I note that evidence of a joint research agreement may take the form of cooperative research and development agreements, CRADAs, material transfer agreements MTAs, or other written contracts or multiple written documents or contracts covering various parties or aspects of the written agreement. As the House Committee indicated in its report, such writing or writings must demonstrate that a qualifying "joint research agreement" existed prior to the time the claimed invention was made and that the claimed invention was derived from activities performed by or on behalf of parties that acted within the scope of the agreement. Also, parties to a joint research agreement who seek to benefit from the Act must be identified in the application for a patent or an amendment thereto so the public will have full notice of those patents that have issued pursuant to the provisions of this Act.

As the House Judiciary Committee also noted in its report, the act, pursuant to section 3 of the act, pending patent applications could claim the benefit of the provisions of the act. Thus, an existing joint research agreement

existing prior to the date of enactment can be used to qualify an application to claim the benefits of the act. Such applications, i.e., those pending on the date of enactment of the act, however, must comply with all of the requirements of the Act, including not only the requirements for disclosure among the parties to the agreement, but also the applicable requirement for a terminal disclaimer. The terminal disclaimer obligations, i.e., that all parties to the joint research agreement consent to having any related patents the first-issued patent and patentably indistinct patents, be bound by the requirements of the Act and the disclaimer be executed by all the owners of such patents, shall provide a means for the U.S. Patent and Trademark Office to confirm that each party to an otherwise eligible joint research agreement that is cited to claim the benefits for an application pending as of the date of enactment of the act has consented to have the act so apply to that application. Thus, associated with any patent application pending on the date of enactment of the act, there will be written evidence of an agreement of the parties to the joint research agreement to affirmatively claim the benefits of, and to be bound by the requirements of, the CREATE Act, by the act of the parties to the joint research agreement recording evidence of their agreement in the same manner as evidence of documents that affect some interest in an application or patent are now recorded with the Patent and Trademark Office.

Before I yield, I would like to thank the cosponsors and their respective staffs for their work on this legislation. In particular, I commend Susan Davies, Jeff Miller, Dan Fine, Dave Jones, and Tom Sydnor for their hard work on this issue. Also, I extend my heartfelt gratitude to Katie Stahl for her hard work on this, and numerous other issues. I was informed today that she will be leaving the Judiciary Committee staff in a couple of weeks, and I want to take this opportunity to acknowledge publicly how sorely she will be missed.

Mr. LEAHY. I am pleased that today the Senate will pass the Cooperative Research and Technology Enhancement Act, the CREATE Act of 2004. As I have noted before, the United States Congress has a long history of strong intellectual property laws, and the Constitution charges us with the responsibility of crafting laws that foster innovation and ensure that creative works are guaranteed their rightful protections. This past March, I joined with Senator HATCH, Senator KOHL, and Senator FEINGOLD in introducing the CREATE Act, which will provide a needed remedy to one aspect of our nation's patent laws.

Our bill is a narrow one that promises to protect American jobs and encourage additional growth in America's information economy.

In 1980, Congress passed the Bayh-Dole Act, which encouraged private entities and not-for-profits such as universities to form collaborative partnerships that aid innovation. Prior to the enactment of this law, universities were issued fewer than 250 patents each year. Thanks to the Bayh-Dole Act, the number of patents universities have been issued in more recent years has surpassed two thousand—adding billions of dollars annually to the US economy.

The CREATE Act corrects for a provision in the Bayh-Dole Act which, when read literally, runs counter to the intent of that legislation. In 1997, the United States Court of Appeals for the Federal Circuit ruled, in Oddzon Products, Inc. v. Just Toys, Inc., that non-public information may in certain cases be considered "prior art"—a standard which generally prevents an inventor from obtaining a patent. The Oddzon ruling was certainly sound law, but it was not sound public policy, and as a result some collaborative teams have been unable to receive patents for their work. As a consequence, there is a deterrent from forming this type of partnership, which has proved so beneficial to universities, the private sector, the American worker, and the U.S. economy.

Recognizing Congress' intended purpose in passing the Bayh-Dole Act, the Federal Circuit invited Congress to better conform the language of the act to the intent of the legislation. The CREATE Act does exactly that by ensuring that non-public information is not considered "prior art" when the information is used in a collaborative partnership under the Bayh-Dole Act. The bill that the Senate is passing today also includes strict evidentiary burdens to ensure that the legislation is tailored narrowly so as only to achieve this goal that—although narrow—is vitally important.

I also wish to draw attention to Senator HATCH's thoughtful explication of some of the more complex issues surrounding the CREATE Act. I agree entirely with his comments, which I believe will prove useful for those seeking a background understanding of this legislation.

I wish to thank my colleagues for their support of this bill, and to thank in particular Senator HATCH, Senator KOHL, Senator FEINGOLD, Senator GRASSLEY, and Senator SCHUMER for their hard work in gaining this bill's passage.

Mr. FRIST. I further ask consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table with no intervening action or debate, and any statements relating to this measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2192) was read the third time and passed, as follows:

S. 2192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cooperative Research and Technology Enhancement (CREATE) Act of 2004".

SEC. 2. COLLABORATIVE EFFORTS ON CLAIMED INVENTIONS.

Section 103(c) of title 35, United States Code, is amended to read as follows:

"(c)(1) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

"(2) For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if—

"(A) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made;

"(B) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

"(C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

"(3) For purposes of paragraph (2), the term 'joint research agreement' means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.".

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall apply to any patent granted on or after the date of the enactment of this Act.

(b) SPECIAL RULE.—The amendments made by this Act shall not affect any final decision of a court or the United States Patent and Trademark Office rendered before the date of the enactment of this Act, and shall not affect the right of any party in any action pending before the United States Patent and Trademark Office or a court on the date of the enactment of this Act to have that party's rights determined on the basis of the provisions of title 35, United States Code, in effect on the day before the date of the enactment of this Act.

PROTECTING INTELLECTUAL RIGHTS AGAINST THEFT AND EXPROPRIATION ACT OF 2004

Mr. FRIST. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 485, S. 2237.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2237) to amend chapter 5 of title 17, United States Code, to authorize civil copyright enforcement by the Attorney General, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Madam President, today the Senate has taken a strong step forward to encourage the distribution of music, films, books, and software on the Internet. For too long the very ease of duplication and distribution