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**THE AMERICAN INVENTOR’S PROTECTION ACT:
A LEGISLATIVE HISTORY**

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I. INTRODUCTION	146
II. THE 104TH CONGRESS	148
A. <i>Senator Lieberman and S. 909</i>	148
B. <i>Representative Moorhead, H.R. 2419, and Some “Add-ons”</i>	150
1. A Plethora of Patent Reforms.....	151
2. Representative Rohrabacher’s Opposition to H.R. 1733 ..	153
3. Biotechnology, Committee Mark-up, and H.R. 3460	155
4. The Death of H.R. 3460	156
III. THE 105TH CONGRESS	157
A. <i>Representative Coble, H.R. 400, and Rohrabacher’s Threat</i> ..	157
B. <i>The House Floor and a Compromise</i>	158
C. <i>Senator Hatch and S. 507</i>	159
1. Phyllis Schlafly and the Nobel Laureates.....	160
2. Riding the Coattails of a Bankruptcy Bill	162
IV. THE 106TH CONGRESS.....	162
A. <i>The Coble-Rohrabacher Compromise</i>	163
B. <i>Fast Track in the Senate</i>	164
1. The Home Stretch.....	165
2. Rural Television	166
3. Dairy Cattle	166
C. <i>President Clinton</i>	167
V. EPILOGUE.....	167
A. <i>Winners and Losers</i>	168
B. <i>Intellectual Property and the Legislative Process</i>	169
VI. CONCLUSION	171

“This was one of the great stories in patent law, if you’re interested in politics. There never before has been a patent bill that was really political the way this one was.”¹

I. INTRODUCTION

After four years of scathing debate, the final hours of the 1999 legislative session gave birth to a \$390 billion omnibus spending bill that implemented the biggest changes to patent law since 1952.² The bill was subsequently signed into law as the American Inventor’s Protection Act (“AIPA”) by President Clinton on November 29, 1999, amid a flurry of denunciations and reprisals by the bill’s opponents.³ Chief among the bill’s opponents were many independent inventors and their allies. Maintaining that independent inventors lost a battle but not the war, Steven Michael Shore, president of the Alliance for American Innovation, said, “Now there is a legitimate need for patent reform to correct the abuses that have been just recently written into law.”⁴ In a letter to Senate Majority Leader Trent Lott (R-Miss.), Nobel Laureate Franco Modigliani of the Massachusetts Institute of Technology wrote, “The effort to rush through the Senate this questionable and potentially highly detrimental legislation is inexcusable.”⁵ Conservative writer Phyllis Schlafly ratcheted up the rhetoric with her own assessment that the true backers of the bill were “foreigners, whose motive is to steal U.S. intellectual property [and]

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¹ Victoria Slind-Flor, *Long-Fought Patent Changes Arrive*, NATIONAL LAW JOURNAL, Dec. 20, 1999, at B15 (quoting Gregory Maier, Chairman (1999) of the American Bar Association Section of Intellectual Property Law).

² 145 CONG. REC. S14836 (1999) (statement of Rep. Schumer); *See also* Slind-Flor, *supra* note 1 at B15.

³ American Inventors Protection Act of 1999, Public L. No. 106-113, 113 Stat. 1537-44 (1999); Slind-Flor, *supra* note 1 at B15; John Schwartz, *Inventors Say Proposed Patent Law Will Lead to Stealing Ideas*, WASHINGTON POST, Nov. 4, 1999, at A08.

⁴ Kent Hoover, *Independent Inventors Vow To Continue Patent Fight*, BUSINESS JOURNAL-PORTLAND, Dec. 3, 1999, at 11.

⁵ Schwartz, *supra* note 3 at A8.

the multinationals that want to control all innovation and therefore look upon independent inventors as their natural enemies.”⁶

Given the forceful opposition voiced by independent inventors and their allies, it is surprising to note that the origins of the AIPA date back to 1995, when Sen. Joseph Lieberman (D-Conn.) introduced a bill as an effort to prevent unscrupulous invention development firms from exploiting independent inventors.⁷ At the time, allies of the independent inventor lauded the bill. Robert G. Lougher, President of an all-volunteer consumer group for inventors called the Inventors Awareness Group, Inc. (“IAG”), testified before House Subcommittee on Courts and Intellectual Property that:

[The Inventor's Protection Act of 1995] is long overdue. Our Federal Government has routinely and vigorously protected our Nation's precious and limited natural resources, while ignoring our Nation's most precious natural resource ... the independent inventor. Without the independent inventor, we, as a Nation, would not have the know-how to best utilize or benefit from any of our other natural resources.⁸

So what happened? In a nutshell, the patent bill became “one car in a train of legislative add-ons,” a plight which was exacerbated when some conservatives chose to oppose changes to the patent law that they viewed as examples of “creeping internationalism.”⁹ This article will examine the convoluted and arduous process behind the enactment of the AIPA. Part One will discuss how efforts during the 104th Congress to address the problem of invention development companies snowballed into an omnibus patent reform bill that became hopelessly mired down in the House of Representatives. Part Two will analyze how the patent reform legislation was resurrected in the 105th Congress and narrowly passed in the House, only to hit an unexpected roadblock in the Senate. Part Three will pick up with the 106th Congress and explore the compromises, obstacles, and strange bedfellows that would emerge during the final push toward enacting

⁶ Slind-Flor, *supra* note 1 at B15.

⁷ 141 CONG. REC. S8114 (June 9, 1995)(statement of Sen. Lieberman); S. 909, 104th Cong. (1995).

⁸ *Hearings on H.R. 2419 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong. (1995) (statement of Robert G. Lougher, President of the Inventors Awareness Group, Inc.).

⁹ Slind-Flor, *supra* note 1 at B15.

the AIPA. Part Four will summarize the effects of the AIPA on the major players in the legislative battle and examine how the legislative process has changed in recent years with respect to intellectual property. Although many would not expect patent law to spark such widespread and heated debate, the legislative history of the AIPA stands as an example of the passions and the vagaries of the legislative process.

II. THE 104TH CONGRESS

On June 9, 1995, Sen. Lieberman introduced S. 909, a bill he dubbed the “Inventor Protection Act of 1995”.¹⁰ The companion H.R. 2419 was later introduced in the House by Rep. Carlos J. Moorhead (R-Calif.).¹¹ Both bills were an attempt to quash a growing problem: fraudulent practices by invention development companies that were bilking independent inventors out of millions of dollars.¹² This was viewed not only as a threat to the individual inventors who were victimized, but also to the national economy since questionable practices threatened to prevent scores of valuable inventions from getting to the marketplace.¹³

A. Senator Lieberman and S. 909

During a hearing held in 1994 by Sen. Lieberman when he was Chairman of the Subcommittee on Regulation and Governmental Affairs, the problems presented by the invention marketing industry were described in detail.¹⁴ Many witnesses testified to the fact that dozens of companies broadly claimed to help inventors market their inventions, but instead took millions of dollars for services that they regularly failed to provide.¹⁵ In 1995, the annual number of individuals estimated to contract with such invention marketers was over 25,000, at a total revenue of \$200 million.¹⁶ In his testimony before the House, Robert Lougher of IAG stated, “This should be the decade of the independent inventor ... this has become the decade of the

¹⁰ 141 CONG. REC. S8114, *supra* note 7.

¹¹ 141 CONG. REC. H9670 (Sep. 28, 1995); H.R. 2419, 104th Cong. (1995).

¹² 141 CONG. REC. S8114, *supra* note 7.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Statement of Robert G. Lougher, *supra* note 8.

'Invention Pimp.'"¹⁷

Generally, such fraud begins with companies attracting inventors through the advertisement of toll-free numbers that inventors can call to request invention evaluation forms.¹⁸ Inventors return the forms with a full description of their designs and expect that their inventions will be evaluated by qualified experts.¹⁹ Unfortunately, the form is instead given to a salesperson who contacts the inventor and attempts to convince him or her to buy a research report for around \$500.²⁰ Although patentability opinions conducted by trained professionals are a necessary step in patent prosecution, the reports sold by many of these companies contain nothing more than boilerplate language which invariably concludes that the invention is patentable.²¹ This language is deceiving since it refers to obtaining a design patent, not a utility patent.²² Design patents are easy to obtain because they provide very narrow protection: they protect only the ornamental design of an object, not its function or utility.²³ Except for certain fields such as the furniture industry, a design patent is typically worthless when attempting to commercialize a product.²⁴

The next phase of the scheme usually involves convincing the inventor to buy patent and marketing services for \$7,000 to \$10,000.²⁵ In return, the inventor generally receives the insertion of a brief description of the invention in trade show catalogs and a few generic press releases.²⁶ In almost every case this marketing plan is unproductive.²⁷

During the course of the hearing regarding such practices, Sen. Lieberman was moved to note, "Necessity may be the mother of invention, but some of these companies are nothing more than

¹⁷ *Id.*

¹⁸ 141 CONG. REC. S8114, *supra* note 7.

¹⁹ *Id.*

²⁰ *Id.* Hundreds of these victims have said they were told by a bogus operator that they could protect their idea through a "poor man's patent": describing an idea and then mailing the information to themselves by registered mail and not opening the letter. Statement of Robert G. Lougher, *supra* note 8. Mailing an idea to yourself and not opening it does absolutely nothing but give inventors the false impression that their idea is now protected. *Id.*

²¹ 141 CONG. REC. S8114, *supra* note 7.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

deadbeat dads.”²⁸ To exacerbate the problem, state and federal laws regarding such practices were vague and ineffective, allowing offending companies to escape liability by closing their doors and continuing to operate under a different name.²⁹ S. 909 was an attempt to “crack down on these scam artists” by including several provisions designed to separate the legitimate companies from the fraudulent ones.³⁰ First, the bill required invention marketing companies to register with the United States Patent and Trademark Office (“USPTO”).³¹ No new federal spending would have been required to fund this system, as it would be covered by fees accompanying the registrations and take advantage of the infrastructure in place for registering patent attorneys and agents.³² Second, companies would have also been required to provide a complete list of their officers so shady characters could not hide behind ever-changing corporate names.³³ Third, complaints against these companies would be tracked.³⁴ Fourth, the bill created standards for contracts between inventors and invention developers in order to help inventors make informed decisions about developers.³⁵ Finally, the bill allowed customers to void these contracts or sue for damages in federal court if the invention marketing company failed to meet any of these guidelines.³⁶ On June 5, the same day Sen. Lieberman introduced the bill, S. 909 was referred to the Senate Judiciary Committee.³⁷

B. Representative Moorhead, H.R. 2419, and Some “Add-ons”

In 1995, Rep. Moorhead was Chairman of the House Judiciary Committee’s Subcommittee on Intellectual Property and the Courts. On September 28, 1995, Rep. Moorhead introduced H.R. 2419 in the

²⁸ Statement of Robert G. Lougher, *supra* note 8.

²⁹ *Id.*

³⁰ 141 CONG. REC. S8115, *supra* note 7.

³¹ *Id.*

³² *Id.*

³³ *Id.* One former salesperson for an invention marketing company whose company changed names three times in less than six years to evade consumer action said, “You forgot sometimes what company you are working for.”

³⁴ *Id.*

³⁵ *Id.* One of these standards would require companies to attach a cover sheet to every contract listing the number of applicants the company has rejected and the number of customers who have actually earned a profit from their inventions, both of which are usually very small. *Id.*

³⁶ *Id.*

³⁷ *Id.*

House, a companion bill identical to Sen. Lieberman's S. 909.³⁸ At the time he introduced H.R. 2419, however, Rep. Moorhead was also pushing several other patent reform bills.³⁹ The first of several turns in the road toward the AIPA would soon be realized when H.R. 2419 was consolidated along with other patent reform measures to create a single omnibus patent reform bill. This consolidation would ultimately sink any chance of passage for the omnibus bill before the close of the 104th Congress.

1. A Plethora of Patent Reforms

From where did these other reform measures come? Several of these bills were related in some manner to provisions of the Uruguay Round Agreements Act ("URAA"), which was the result of negotiations between the United States and Japan under Global Agreement on Tariffs and Trade ("GATT").⁴⁰ Under the URAA, the United States agreed, among other things, to introduce legislation: 1) to require publication of patent applications 18 months from the earliest filing date; 2) to expand reexamination proceedings to allow greater participation by third parties; and 3) to change the length and tolling of patent terms.⁴¹ On May 25, H.R. 1732 was introduced to implement the U.S. commitment on expanded reexaminations, and H.R. 1733 was introduced for the 18-month publication commitment.⁴²

House Bill 1733 also incorporated a section that was designed to fix a problem created by the URAA arising from the change in the length and tolling of patent terms.⁴³ Under the URAA, the term of patents shifted from a 17 years from the date of issuance system to a

³⁸ 141 CONG. REC. H9670, *supra* note 11.

³⁹ H.R. 1659, 104th Cong. (1995); H.R. 1732, 104th Cong. (1995); 104 H.R. 1733, 104th Cong. (1995); 104 H.R. 2235, 104th Cong. (1995).

⁴⁰ Pub. L. No. 103-465, 108 Stat. 4809 (1994) (codified at 19 U.S.C. §§ 3501-3624 (1994)).

⁴¹ *Id.* Prior to this agreement, the USPTO maintained all patent applications in confidence during the pendency of prosecution, in contrast with most other countries. 35 U.S.C. 122 (2000). In addition, the 1980 Patent Act added procedures under which a patent owner or any other person may request that the USPTO reexamine any claim of a patent on the basis of cited prior art. 35 U.S.C. §§ 301-307. Although the person requesting reexamination may file a reply to the patent owner's statement during reexamination, only the patent owner may appeal any adverse determination by the examiner. *Id.*

⁴² H.R. 1732, *supra* note 39; H.R. 1733, *supra* note 39.

⁴³ H.R. 1733, *supra* note 39; *see also* Jane Applegate, *Inventors Turning to Congress for Help*, CHICAGO SUN-TIMES, 66, Oct. 18, 1995.

20 years from the date of filing system.⁴⁴ This change was made in part to address concerns about “submarine patents,” which applicants allegedly keep pending and secret until an industry with substantial investment in the technology can be targeted in an infringement suit.⁴⁵ The problem with this shift was that although the term was calculated from the date of filing, a patent was not awarded until after successful prosecution of the application before the USPTO; a process that can take several years.⁴⁶ In other words, for every day that an application spent in prosecution before the USPTO, that meant one less day out of the 20 year term that the patent could be asserted against potential infringers. Because it was not unheard of for prosecution time before the USPTO to take more than 3 years, the effective term for some patents after the URAA agreement took effect could be less than the original 17 years.⁴⁷ Provisions in H.R. 1733 were designed to minimize this problem by providing discretionary extensions to the term of any patents where delays in prosecution of the application were caused by the USPTO.⁴⁸

Also introduced in the House that spring and summer were two additional patent reform measures supported by patent law practitioners. Despite record increases in the number of patent applications filed with the USPTO, the number of employees had been capped at about 5,100 as part of the administration’s effort to reduce the size of the federal government.⁴⁹ As patent practitioners observed ever lengthening delays in prosecution times, groups such as the American Intellectual Property Law Association (“AIPLA”), the American Bar Association’s intellectual property section, and a trade group called the Intellectual Property Owners Inc. (“IPO”), lobbied for reforms that would improve the efficiency of the USPTO.⁵⁰ Toward that end, H.R. 1659 was introduced to establish the USPTO as a Government corporation.⁵¹ A second bill, H.R. 2235, was also backed by the AIPLA and sought to establish a defense in patent infringement suits for those who made a good faith commercial use of the subject matter of a patent prior to the earliest effective filing date of that

⁴⁴ Applegate, *supra* note 43 at 66.

⁴⁵ 51 Pat. Trademark & Copyright J. (BNA) 50 (1995).

⁴⁶ Applegate, *supra* note 43 at 66.

⁴⁷ *Id.*

⁴⁸ H.R. 1733, *supra* note 39.

⁴⁹ Mark Walsh, *Makeover in Works for Patent and Trademark Office*, THE RECORDER, July 13, 1995, at 1.

⁵⁰ *Id.*

⁵¹ H.R. 1659, *supra* note 39.

patent.⁵² Prior user rights are a common feature of patent laws outside the United States, and the AIPLA had long fought to introduce this feature into U.S. law under the banner of fairness and balance.⁵³

Thus, by the fall of 1995, the House had no less than five patent reform bills that had emerged from the Judiciary Committee's Subcommittee on Intellectual Property and the Courts. Some of these measures represented necessary amendments to the Patent Act required of the URAA. Another measure sought to rectify an unintended consequence of URAA relating to the change in patent term. Still other measures reflected the persistent lobbying of patent law practitioners. Finally, there was H.R. 2419, with its focus not on the patent practitioner or the lawmaker, but on the independent inventor and prospective patent holder. It would soon become apparent that these interest groups did not share the same views on a variety of matters.

2. Representative Rohrabacher's Opposition to H.R. 1733

Although Rep. Moorhead introduced several patent reform bills before the House in 1995, opposition to one in particular had drastic consequences for the rest. That fall, hearings were conducted by the House Subcommittee on Courts and Intellectual Property to review H.R. 1733.⁵⁴ Both proponents and critics voiced their positions on the new 20-year term and the proposal for early publication of patent applications.⁵⁵ One of the most outspoken critics of H.R. 1733 was Rep. Rohrabacher (R-Calif), who charged that this bill was a concession to Japan that would weaken the U.S. patent system.⁵⁶ Prior to the introduction of H.R. 1733, Rep. Rohrabacher had introduced his own bill to provide greater certainty for patent terms.⁵⁷ House Bill 359 set the new patent term at *either* 17 years from grant or 20 years from filing, whichever was longer.⁵⁸

On November 1, 1995, the House Subcommittee on Courts and

⁵² H.R. 2235, *supra* note 39; *see also Hearings on H.R. 2235 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 104th Cong. (1995) (statement of Robert A. Armitage, President of the American Intellectual Property Law Association).

⁵³ Statement of Robert A. Armitage, *supra* note 52.

⁵⁴ 51 Pat. Trademark & Copyright J. (BNA) 50 (1995).

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

Intellectual Property took up H.R. 1733 and H.R. 359 at a five-and-a-half-hour hearing.⁵⁹ Rep. Rohrabacher appeared as the first witness, and was challenged by the panel to support the claim that a 20-year-from-filing patent term would result in shortened protection for most patentees because of the time it takes the Patent and Trademark Office to issue patents.⁶⁰ The panel pointed to a recent study that indicated that the average patentee took only 19.5 months to get through the examination process, which meant that the average patentee would gain over a year to their patent term under the new system.⁶¹ Rep. Rohrabacher stated that the average applicant is irrelevant, since true breakthrough inventions can take much longer than 19.5 months to get through the examination process (e.g., 20 years for the laser and 17 years for the microprocessor).⁶² Rep. Rohrabacher also disputed claims that a 20-year from filing term is needed to deter submarine patents, stating that this argument presumes that inventors deliberately delay the patent process and ignores the fact that delays occur regularly as a result of USPTO inaction.⁶³ For these reasons, Rep. Rohrabacher argued, U.S. inventors need the certainty of at least 17 years of protection.⁶⁴

Furthermore, Rep. Rohrabacher sided with a panel of independent inventors, educators and patent practitioners that opposed the 18-month publication provision of H.R. 1733.⁶⁵ Rep. Rohrabacher maintained that the 1994 agreements with Japan that prompted this legislation was “a major catastrophe” for independent inventors and “a sweetheart deal” for Japan and big business.⁶⁶ Despite the fact that every other developed country has 18-month publication of patent applications, Rep. Rohrabacher stated that “other countries don’t value the rights of the individual as we do in the United States ...it’s because of the superiority of the U.S. patent that most inventions come from America.”⁶⁷ Under the new system, Rep. Rohrabacher predicted that patent lawyers for foreign companies would cull the USPTO files and fax published applications directly to competitors in Thailand, China,

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

Korea and Japan.⁶⁸ The cost of obtaining worldwide patent protection to avoid such piracy is particularly prohibitive to independent inventors, with estimates of up to \$250,000.⁶⁹

Thus, the interests of independent inventors were once again raised, but were at odds with many of the provisions of the several patent reform bills. In that regard, Rep. Rohrabacher's opposition to H.R. 1733 was representative of the conflicting interests at stake in these bills, and would pose a persistent problem for the remainder of the 104th Congress. In a particularly prescient observation, one reporter wrote later that Spring, "[t]he dispute may sink any bill's chances this year."⁷⁰

3. Biotechnology, Committee Mark-up, and H.R. 3460

In the Spring of 1996, Rep. Moorhead proposed a series of amendments to H.R. 1733, including a shift from discretionary to mandatory term extensions of patents due to prosecution delays caused by the USPTO, and the addition of objective definitions for "unusual administrative delay" by the USPTO.⁷¹ These changes were due in large part to the lobbying efforts of the Biotechnology Industry Organization ("BIO"). BIO was particularly interested in the patent term issue, since understaffing of examiners skilled in the biotechnological arts had led to long delays at the USPTO for patent applications covering biotechnological inventions.⁷² Accordingly, BIO supported language that would allow for the restoration of all time lost during review or appeal before the USPTO except for delays caused directly by applicants.⁷³ Until H.R. 1733 was modified to make such term extensions mandatory, BIO refused to support the bill.⁷⁴

On May 15, 1996, following the markup of H.R. 1733, the House Subcommittee on Intellectual Property and the Courts unanimously approved H.R. 3460, a single omnibus patent reform bill

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ Reginald Rhein, *Bill to Extend Life of Patents Approved by Judiciary*, BIOTECHNOLOGY NEWSWATCH, May 20, 1996 at 1.

⁷¹ *Hearings on H.R. 400 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 105th Cong. (1997) (statement of Chuck Ludlam, Vice President for Government Relations, Biotechnology Industry Organization).

⁷² 51 Pat. Trademark & Copyright J. (BNA) at 50.

⁷³ *Id.*

⁷⁴ Rhein, *supra* note 70 at 1.

co-sponsored by Rep. Moorhead and Rep. Schroeder (D-Colo.).⁷⁵ House Bill 3460 incorporated the five patent reform measures introduced by Rep. Moorhead the previous year: H.R.1659; H.R.1732; H.R.1733; H.R.2235; and H.R.2419.⁷⁶ Although the omnibus bill was an attempt to speed these patent reforms into law, H.R. 3460 had the effect of galvanizing opposition from independent inventor groups who criticized the bill as overly favorable to large corporate patent holders.⁷⁷

Given the overwhelming vote of the Subcommittee, it was hoped that Rep. Rohrabacher could be convinced to support H.R. 3460 instead of pushing for a showdown on the House floor with H.R. 359.⁷⁸ If such a showdown were to occur and Rep. Rohrabacher were to prevail, the resultant patent reform legislation would surely die in the Senate.⁷⁹ This was due to the fact that Sen. Orrin Hatch (R-Utah) was not expected to take up the Rohrabacher provision in the conference between the House and Senate on the legislation.⁸⁰

4. The Death of H.R. 3460

House Bill 3460 never made it to the House floor for a vote, partly due to a lack of consensus and partly because of a budget impasse that essentially brought the 104th Congress to a standstill.⁸¹ Rep. Rohrabacher did not back down, and continued his vocal opposition to H.R. 3460.⁸² The fate of the patent legislation for the 104th Congress ultimately rested with House Majority Leader Dick Armey (R-Texas), who controlled the floor schedule.⁸³ Given the backdrop behind H.R. 3460, Rep. Armey's communications director Michael Franc said in mid August: "My gut reaction is that we're not going to deal with it."⁸⁴

The close of the 104th Congress not only saw the quiet death of H.R. 3460, but the retirement of key players in the legislative

⁷⁵ H.R. 3460, 104th Cong. (1996)

⁷⁶ *Id.*

⁷⁷ Mark Walsh, *IP Impasse*, THE RECORDER, August 19, 1996, at 1.

⁷⁸ Rhein, *supra* note 70 at 1.

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ Lisa Seachrist, *HR 400 Would Extend Patent Terms Past 20 Years for Delays*, BIOWORLD TODAY, January 16, 1997, at 10; *see also* Dan Goodin, *PTO Reform Bill Moves Ahead*, THE RECORDER, March 10, 1997, at 1.

⁸² 142 CONG. REC. H6718-02 (Statement by Rep. Rohrabacher, June 25, 1996).

⁸³ Walsh, *supra* note 77 at 1.

⁸⁴ *Id.*

drama. Representatives Moorhead and Schroeder both retired from Congress when the session closed in October of 1996.⁸⁵ Someone would have to pick up the flag to carry the patent reform measures forward in the 105th Congress. As it turned out, that person was the new Chairman of the House Subcommittee on Intellectual Property and the Courts and another co-sponsor of H.R. 3460, Rep. Howard Coble (R-N.C.).⁸⁶

III. THE 105TH CONGRESS

On January 9, 1997, Rep. Coble introduced H.R. 400, which was nearly identical to H.R. 3460 from the 104th Congress.⁸⁷ In addition to the provisions carried over from H.R. 3460, the new bill provided a guarantee of 18.5 years of patent exclusivity and inventors would also be compensated for any delays within the patent office due to interference proceedings.⁸⁸ These changes were the result of a Manager's Amendment that was developed with the Senate, the Clinton administration, and the House Government Reform and Oversight Committee, and would have been offered the previous year if H.R. 3460 had been scheduled for a vote in the full House.⁸⁹ Despite the fact that proponents of H.R. 400 appeared to have the upper hand over the opposition during the 105th Congress, the form of the bill that would ultimately be passed and signed into law as the AIPA emerged during the 106th Congressional session.

A. Representative Coble, H.R. 400, and Rohrabacher's Threat

Just as Rep. Coble resurrected H.R. 3460 in the form of H.R. 400, Rep. Rohrabacher reintroduced H.R. 359 as H.R. 811.⁹⁰ Consequently, the bills retained the same backers, with H.R. 400 supported by such groups as the AIPLA, and H.R. 811 supported by independent inventors.⁹¹ House Bill 400 quickly gained momentum

⁸⁵ *Congressional Bill to Sabotage Constitutional Right, Says the National Patent Association*, PR NEWSWIRE, June 12, 1996, Financial News.

⁸⁶ Seachrist, *supra* note 81 at 10.

⁸⁷ H.R. 400, 105th Cong. (1997).

⁸⁸ Seachrist, *supra* note 81 at 10.

⁸⁹ *Hearings on H.R. 400 Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 105th Cong. (1997) (statement of Chairman Coble).

⁹⁰ H.R. 811, 105th Cong. (1997); *see also* Goodin, *supra* note 81 at 1.

⁹¹ Goodin, *supra* note 81 at 1.

under the assertive leadership of Rep. Coble, however, and was unanimously approved by the House Subcommittee on Intellectual Property and the Courts in early March.⁹² In contrast, H.R. 811 was tabled.⁹³

Despite the fact that H.R. 811 was tabled, its backers continued to pose a threat to H.R. 400. As the press secretary for Rep. Rohrabacher stated in March of 1997, “[t]he real debate on these bills will come when they come onto the floor...At that time we would offer our legislation as a substitute amendment.”⁹⁴ Rep. Rohrabacher continued to maintain that the 18-month publication provision of H.R. 400 would allow large multinational corporations to misappropriate technology from independent inventors, and went so far as to nickname H.R. 400 the “Steal American Technology Bill.”⁹⁵ On the issue of the tolling of patent terms, Rep. Rohrabacher included “anti-submarine” provisions in H.R. 811 as a concession to criticisms that his method of determining patent terms would allow such dilatory practices by patent applicants to continue.⁹⁶ The relevant question, however, was whether such concessions would be sufficient to overcome the swelling tide of support gathering behind Rep. Coble’s H.R. 400.

B. The House Floor and a Compromise

On April 16, 1997, the positions of both the supporters and the opponents of H.R. 400 were heard in a six-hour debate on the floor of the House of Representatives.⁹⁷ A week later, on April 23, H.R. 400 would be presented for a vote.⁹⁸ As threatened, Rep. Rohrabacher was poised to offer H.R. 811 as an alternative, and had been working to rally his allies around his bill.⁹⁹ Unfortunately for him, a compromise proposal reaching out to independent inventors would simultaneously consolidate support for H.R. 400 while mitigating the Rohrabacher threat.

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ Joanne Hayes-Rines, *Some Call It Reform*, INTELLECTUAL PROPERTY TODAY, July, 1997, at 44.

⁹⁸ Lisa Seachrist, *HR 400 Wins Patent Legislation Clears House; Now It's Up To Senate*, BIOWORLD TODAY, April 25, 1997, at 80.

⁹⁹ *Id.*

On April 23 on the House floor, Rep. Marcy Kaptur (D-OH) offered an amendment to H.R. 400 that made the 18 month publication requirement optional for small businesses and individual inventors.¹⁰⁰ This exemption siphoned support from H.R. 811 and allowed H.R. 400 to pass on a unanimous voice vote.¹⁰¹ With some of the wind out of its sails, H.R. 811 was voted down 227 to 178.¹⁰² A version of the omnibus patent reform bill had finally made it through the gauntlet of the House. The scene would now shift to the Senate, where Sen. Orrin Hatch (R-Utah) was pushing H.R. 400's companion bill: S. 507.¹⁰³

C. Senator Hatch and S. 507

Sen. Hatch introduced S. 507 in the Senate on March 20, 1997.¹⁰⁴ In an effort to show bipartisan support for the bill, Sen. Patrick Leahy (D-VT) worked closely with Sen. Hatch on S. 507 in the Senate.¹⁰⁵ Hearings were held on May 7, 1997, and the bill was reported out of the Senate Judiciary Committee on May 22, 1997, with substantial changes.¹⁰⁶ The new S. 507 altered the 18-month publication provision to exempt any patent applicant who was not also filing patent applications abroad.¹⁰⁷ In addition, the new S. 507 made the requirements for claiming prior user rights more stringent.¹⁰⁸

Unfortunately, the lobbying efforts of independent inventors and small businesses would pose problems for the legislation once again. As soon as S. 507 came out of the Senate Judiciary Committee, Sen. Christopher Bond (R-MO), chairman of the Senate Small Business Committee, and Sen. Trent Lott (R-Miss) mounted Republican opposition to “put a hold” on it, due in part to the provisions providing prior user rights.¹⁰⁹ Despite efforts to “reign in” these rights, independent inventors and small businesses still felt that prior user rights would have disparate impact upon them.¹¹⁰ This was

¹⁰⁰ Jim Abrams, *House Moves on Bill to Overhaul Patent System*, THE ASSOCIATED PRESS NEWSWIRE, April 17, 1997.

¹⁰¹ Seachrist, *supra* note 98 at 80.

¹⁰² Abrams, *supra* note 100.

¹⁰³ S. 507, 105th Cong. (1997).

¹⁰⁴ *Id.*

¹⁰⁵ 144 CONG. REC. S10717 (1998) (statement of Sen. Leahy).

¹⁰⁶ Hayes-Rines, *supra* note 97 at 44.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

due to the fact that such rights would presumably make it easier for industries to circumvent licensing arrangements with smaller companies and independent inventors over patented business methods.¹¹¹ These potential circumventions would put a large dent in revenues for entities whose profitability is tied to a relatively shallow pool of intellectual property assets. The omnibus patent reform bill was still a lightning rod for criticism, and the rhetoric was about to escalate as noted conservative pundit Phyllis Schlafly became increasingly visible in her opposition to the bill.

1. Phyllis Schlafly and the Nobel Laureates

Several sources of opposition to S. 507 emerged in the Summer and Fall of 1997 which considerably slowed progress of the bill in the Senate. In a strange twist to the debate, Phyllis Schlafly, the celebrated anti-feminist who helped sink the Equal Rights Amendment, began a series of columns denouncing S. 507.¹¹² Schlafly is the founder of the “Eagle Forum,” an organization she describes as “a conservative, pro-family group” that opposes abortion rights and federal spending on the arts.¹¹³ By the Fall, the Eagle Forum’s number one priority was to block S. 507.¹¹⁴

As with many groups whose efforts are driven by a single powerful individual, the Eagle Forum tended to lobby for a variety of issues that were tied closely to Schlafly’s interests. As it turns out, Schlafly became interested in patent law in the late 1980s after serving on the committee to celebrate the bicentennial of the Constitution.¹¹⁵ She became so impressed with the Constitution’s protection of patents that she made a documentary about the role of patent rights in

¹¹¹ Phyllis Schlafly, *Hatch’s Attack on Inventors’ Constitutional Rights*, COPLEYS NEWS SERVICE, July 1, 1997 [hereinafter Schlafly I].

¹¹² See, e.g., Schlafly I, *supra* note 111 at A4; Phyllis Schlafly, *Measure Backs Big Firms, Hurts Small Business*, CHATTANOOGA FREE PRESS, July 14, 1997, p. A4 [hereinafter Schlafly II]; Phyllis Schlafly, *Nobel Laureates Denounce Hatch’s Patent Bill*, COPLEYS NEWS SERVICE, Oct. 12, 1997, Commentary [hereinafter Schlafly III]; Phyllis Schlafly, *26 Nobel Laureates Blast “Piracy Bill,”* CHATTANOOGA FREE PRESS, Oct. 14, 1997, p. A4 [hereinafter Schlafly IV]; Phyllis Schlafly, *The Ominous Attack on American Inventors*, COPLEYS NEWS SERVICE, Mar. 2, 1998, Commentary [hereinafter Schlafly V].

¹¹³ Louis Jacobson, *From the K Street Corridor*, THE NATIONAL JOURNAL, Sept. 13, 1997, at 1785.

¹¹⁴ Louis Jacobson, *The Eagle Has Landed*, THE NATIONAL JOURNAL, Oct. 25, 1997, at 2154.

¹¹⁵ Jacobson, *supra* note 113 at 1785.

American history.¹¹⁶

With respect to S. 507, Schlafly maintained that the bill was an ominous attack on independent inventors, calling the bill the result of a game plan by the lobbyists for “foreigners and multinationals” to steal American technology.¹¹⁷ Pointing to another proposal pushed by Sen. Hatch to extend the term of copyrights, Schlafly accused Hatch, who owns the copyright to several religious songs he wrote, of selling out individual inventors while favoring individual copyright holders.¹¹⁸ According to Schlafly, “S. 507 has no redeeming value.”¹¹⁹

Sharing in Schlafly's opposition to S. 507 were a number of Nobel Prize-winning scientists, who agreed with the argument that the bill would prove damaging to American small inventors.¹²⁰ In the Fall of 1997, 26 Nobel Laureates in economics, physics, chemistry, and medicine sent an open letter to the U.S. Senate urging opposition to the passage of S. 507.¹²¹ The letter maintained that provisions for 18-month publication and prior user rights would curtail the protection obtained through patents for small businesses and individual inventors relative to large multi-national corporations, and thus would discourage the flow of new inventions.¹²² As stated individually by Dr. Franco Modigliani, 1985 winner of the Nobel Prize for Economics, the Nobel Laureates shared the view that S. 507 “is against the spirit of the U.S. patent system, which is a great economic and cultural invention.”¹²³

Amid these attacks, Sen. Hatch attempted to push forward with S. 507. Over the next year, he would seek Senate consideration and a vote, but Republican objections would prevent its passage.¹²⁴ Further sparks would fly when a last minute attempt to get the bill passed by the Senate would involve what critics would label a “surreptitious” attempt to “blindside Senators opposed to his legislation.”¹²⁵

¹¹⁶ *Id.*

¹¹⁷ Schlafly II, *supra* note 111 at A4.

¹¹⁸ Schlafly II, *supra* note 111 at Commentary.

¹¹⁹ Schlafly II, *supra* note 111 at A4.

¹²⁰ Schlafly III, *supra* note 111 at Commentary.

¹²¹ *Id.*

¹²² *Id.*

¹²³ Schlafly IV, *supra* note 111 at A4.

¹²⁴ 144 CONG. REC. S12734 (1998) (Statement of Sen. Leahy).

¹²⁵ *Senate Set to Vote on Destruction of U.S. Patent System Thursday*, PR NEWSWIRE, September 16, 1998, Financial News.

2. Riding the Coattails of a Bankruptcy Bill

On September 17, 1998, the Senate was scheduled to vote on a new bankruptcy law that would no longer allow citizens to include credit card debt in bankruptcy declarations.¹²⁶ Senators Hatch and Leahy reserved an amendment spot with the intention to attach S. 507 as a secondary amendment to the bankruptcy bill when it was presented for a vote.¹²⁷ Opponents characterized the move as an attempt to allow the bill to “become law before most U.S. citizens even know about it.”¹²⁸

Critics charged that it was “totally illogical, irrational and unreasonable to attach major patent reform legislation to a bankruptcy bill.”¹²⁹ Sen. Leahy maintained that such a tactic was justified given Republican recalcitrance in preventing the bill from reaching the floor for a vote on its own accord.¹³⁰ When the bankruptcy bill finally went up for a vote, however, Republican objections prevented the amendment from even being offered.¹³¹ The omnibus patent reform legislation died once again.¹³²

The phoenix would rise from the ashes once more in the 106th Congress. A compromise bill would emerge in the House between Representatives Coble and Rohrabacher.¹³³ The omnibus patent reform legislation would then be subjected to the gauntlet of the Senate once more, undergoing several changes before enactment in its final form as the AIPA.¹³⁴

IV. THE 106TH CONGRESS

At the opening of the 106th Congress, the projected path of patent reform legislation looked familiar in some respects, and utterly unique in others. Representatives Coble and Rohrabacher were expected to introduce competing legislation in the House similar to

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ 144 CONG. REC. S10719 (1998) (statement of Sen. Leahy).

¹³¹ 144 CONG. REC. S12734 (1998) (statement of Sen. Leahy).

¹³² Brenda Sandburg, *High-Tech Bills Move to Front Burner on Hill*, THE RECORDER, October 12, 1998, at 2.

¹³³ Shawn Zeller, *A Ruckus Over Patent Reform*, THE NATIONAL JOURNAL, September 18, 1999, at 2640.

¹³⁴ Slind-Flor, *supra* note 1 at B15.

H.R. 400 and H.R. 811 from the 105th Congress.¹³⁵ Sen. Hatch was also expected to re-introduce patent-reform legislation in the Senate, but any Senate Bill was anticipated to lag the House due to the Senate's preoccupation with the impeachment trial of President Clinton.¹³⁶ Before the end of the year, however, a bill would be passed in both the House and Senate, and signed into law by the President.

A. The Coble-Rohrabacher Compromise

Perhaps it was the losses that both sides of the patent reform struggle had suffered in the House over the prior four years, but a new political atmosphere was apparent in the House during the first few months of 1999.¹³⁷ Rep. Coble held a subcommittee hearing on March 25 regarding the draft of a new bill, a draft with which Rep. Rohrabacher was mostly in agreement.¹³⁸ On the issue of patent term, Rohrabacher was no longer demanding a return to the former patent system, and supported Coble's provision restoring lost time for all prosecution delays in the USPTO and the courts, as long as the patent applicant was not the source of those delays.¹³⁹ The presence of a prior user defense in the draft bill was still a point of contention, although Rohrabacher stated that he might support a narrower application specifically for the growing and controversial area of business method patents.¹⁴⁰

By early May, Rep. Rohrabacher announced that an agreement had been reached with Rep. Coble on the draft bill.¹⁴¹ On May 24, 1999, Representatives Coble and Rohrabacher introduced H.R. 1907 after unanimous approval by the House Subcommittee on Intellectual Property and the Courts.¹⁴² The bill, dubbed the AIPA for the first time, retained a provision that only required publication of an application after 18 months if the applicant is also applying for

¹³⁵ Mark Crawford, *Industry Registers Hope For Patent-Reform Law*, NEW TECHNOLOGY WEEK, February 1, 1999, at 1.

¹³⁶ *Id.*

¹³⁷ Lisa Seachrist, *Foes Mainly in Agreement Congress Taking Initial Step Toward Patent-System Reform*, BIOWORLD TODAY, March 30, 1999, at 1.

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ Brenda Sandburg, *Accord Nearing on Patent Bill*, THE RECORDER, April 1, 1999, at 1.

¹⁴¹ *Rohrabacher Announces Agreement on Patent Overhaul*, NATIONAL JOURNAL'S CONGRESSIONAL DAILY, May 7, 1999, at 1.

¹⁴² H.R. 1907, 106th Cong. (1999).

protection in other countries.¹⁴³ The bill also included a prior user defense that would be limited to business process and method patents.¹⁴⁴

Despite Rohrabacher's concessions, Schlafly and the main organization claiming to represent small inventors, the Alliance for American Innovation, still opposed the new draft bill.¹⁴⁵ Speaking about Rohrabacher, inventor Ronald J. Riley said, "[h]e's a Benedict Arnold. We invested a lot of money in giving him a high profile, and then he turns around and says the problems have been fixed, when they weren't."¹⁴⁶ Unfortunately for them, with Rep. Rohrabacher on board the bill was expected to move rather quickly through the House.¹⁴⁷

Several additional mark-ups of H.R. 1907 occurred in subcommittee meetings regarding details of reexamination and the restructuring of the USPTO.¹⁴⁸ Due to the delicate nature of the compromise negotiated in subcommittee, Rep. Rohrabacher requested that the full House suspend the rules to prevent amendment of the bill on the House floor.¹⁴⁹ This request prompted several Representatives to object to the lack of consideration, substantial debate, and open discussion of the bill.¹⁵⁰ On August 4, 1999, however, the rules were suspended and the House passed H.R. 1907, by a margin of 376 to 43.¹⁵¹

B. Fast Track in the Senate

Representatives Coble and Rohrabacher urged Sen. Hatch to move a new patent reform measure to the floor without altering the delicate compromises contained in the House bill.¹⁵² Rohrabacher said

¹⁴³ *Id.*

¹⁴⁴ *Id.* A spokesman for Rep. Rohrabacher argued that such a narrow application was justified because, "[i]n the past, you couldn't get a patent on business methods. Since there is not a lot of prior art out there, this gives those who have been using a method a protection." Sandburg, *supra* note 140 at 1.

¹⁴⁵ Sandburg, *supra* note 140 at 1.

¹⁴⁶ Zeller, *supra* note 133 at 2640.

¹⁴⁷ *Id.*

¹⁴⁸ Michael J. Mehrman, *HR1907 -- The American Inventors Protection Act of 1999*, INTELLECTUAL PROPERTY TODAY, August, 1999, at 28.

¹⁴⁹ *Id.*

¹⁵⁰ 145 CONG. REC. E1756-57 (1999).

¹⁵¹ 145 CONG. REC. H6973 (1999).

¹⁵² Zeller, *supra* note 133 at 2640.

he received positive feedback from the legislation's longtime opponents in the Senate, Senators Lott and Bond.¹⁵³ Advocates for the bill were braced for a battle, despite a temporary setback when Sen. Shelby (R-Ala.) blocked Sen. Hatch's effort to move the legislation to the floor before the August recess.¹⁵⁴ Opponents seemed to recognize that a bill was imminent, however, as exemplified by the remarks of a Senate aide whose boss placed a hold on the bill the year before, "This thing is getting to be like having your wisdom teeth removed. You don't want to drag it out any more than you have to."¹⁵⁵

The real question was no longer whether a bill would pass, but whether a bill would pass before the recess in late Fall. With the congressional session down to its final days, any bill was unlikely to pass both chambers before recess, but Senate strategists surmised that they might be able to pass a version of the Senate bill that was so close to the House version that they could avoid the cumbersome conference committee process.¹⁵⁶ This would involve a committee of members from both chambers that would create one patent reform bill to be sent to the President for his signature.¹⁵⁷ If the Senate and House bills were close enough, however, this process could potentially be avoided by bringing House action down to a single floor vote on the Senate bill.¹⁵⁸

1. The Home Stretch

Through negotiations with Representatives from the House, Senators Hatch and Leahy sought to hit a home run by creating a single \$385 billion spending package out of three intellectual property bills: 1) the Anti-Cybersquatting Consumer Protection Act ("Anti-Cybersquatting Act"); 2) the Intellectual Property and Satellite Omnibus Reform Act ("Satellite Home Viewer Act"); and 3) the AIPA.¹⁵⁹ The Anti-Cybersquatting Act sought to allow trademark owners to sue Internet users who register famous or trademarked names with the intention of either selling those domain names for

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ John Schwartz, *Inventors Criticize Patent Proposal, House Passes Measure, Senate Puts it on Fast Track*, CHICAGO SUN-TIMES, November 5, 1999, at 41.

¹⁵⁷ Hayes-Rines, *supra* note 97 at 44.

¹⁵⁸ Schwartz, *supra* note 156 at 41.

¹⁵⁹ David McGuire, *Hatch, Leahy Praise IP Provisions In Budget*, NEWSBYTES, November 19, 1999, at 1.; H.R. 3194, 106th Cong. (1999).

profit or using them for other commercial purposes.¹⁶⁰ The Satellite Home Viewer Act clarified broadcasting copyright issues in a manner that would allow head-to-head competition between cable and satellite television.¹⁶¹

2. Rural Television

The ultimate goal of the Satellite Home Viewer Act was to eventually eliminate the hodgepodge of hit-and-miss station signals in rural areas by creating an environment where most stations could be viewed by all home satellite owners no matter their location.¹⁶² The final version of the bill facilitated this, but not as strongly as originally desired. The bill stalled in November when Banking Committee Chairman, Sen. Phil Gramm (R-Tex.) objected on jurisdictional grounds to the inclusion of a federal loan program designed to make local television available over satellite to as many as 60 million people in rural America.¹⁶³ Sen. Gramm maintained that the program should have been handled by his committee.¹⁶⁴ With the recess looming, the provision was excised from the final version of the bill.¹⁶⁵

3. Dairy Cattle

Other more general objections remained, including a threat by Sen. Herb Kohl (D-Wisc.) to partially shut down the government.¹⁶⁶ Sen. Kohl's threat arose from his opposition to a rider contained in the bill that would overturn reforms of the government's milk pricing system and would extend for two years the Northeast Dairy Compact, which allowed six New England states to set their own milk prices.¹⁶⁷ Sen. Kohl had said he would do everything he could to delay the bill as long as possible to protest the anti-reform provisions.¹⁶⁸

¹⁶⁰ *Id.*

¹⁶¹ *Final Agreement on Home Satellite TV Bill Reached Thursday Morning*, U.S. NEWSWIRE, November 18, 1999, National and State Desks.

¹⁶² *Id.*

¹⁶³ *Content and Online Communities Resolve Webcasting Issue*, COMMUNICATIONS DAILY, November 17, 1999, at 1.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ Frank A. Aukofer, *Milk Pricing Fight Delays Budget Bill*, MILWAUKEE JOURNAL SENTINEL, November 19, 1999, at 1.

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

Because the omnibus bill included budget provisions for five government departments, a continuing resolution was required to keep the government operating until the budget bill was finally passed.¹⁶⁹ The House passed two continuing resolutions, but similar resolutions in the Senate were held up due to Sen. Kohl's objections.¹⁷⁰ Ultimately, Sen. Kohl said he could not bring himself to be responsible for partially shutting down the federal government, stating, "I am not an irresponsible person ...[s]hutting down the government is a huge, huge decision. I am not going to make that decision over this issue."¹⁷¹

While Sen. Kohl may not have wanted to partially shut down the government, he did pursue other avenues of protest. He started his campaign by forcing the Senate clerk to read the entire omnibus bill, and soon followed up with a filibuster.¹⁷² Despite his efforts, however, cloture was invoked with an 87 to 9 vote on November 19, 1999, exceeding the necessary three-fifths vote by a wide margin.¹⁷³ On the same day, the Senate approved the omnibus budget bill on a 74 to 24 vote.¹⁷⁴ Because the House had already voted on a conference report of the bill the day before by a vote of 296 to 135, the bill was cleared to go to the President.¹⁷⁵

C. President Clinton

On November 29, 1999, ten days after the vote in the Senate, President Bill Clinton signed the AIPA into law.¹⁷⁶

V. EPILOGUE

After a long arduous process, the AIPA was finally law. What started in part as an attempt to protect independent inventors from unscrupulous con-artists mutated into a sweeping patent reform bill that independent inventors argued would prejudice their rights and cripple American innovation. Although the final version of the bill was a compromise, the extent to which individual interest groups benefited

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ 145 CONG. REC. S14986 (1999).

¹⁷⁴ 145 CONG. REC. S15058 (1999).

¹⁷⁵ 145 CONG. REC. H12819 (1999).

¹⁷⁶ Public L. No. 106- 113, *supra* note 3.

or lost varied widely. In addition, the turmoil surrounding its passage reflected the significant increase in recent years of lobbying efforts regarding intellectual property issues.

A. Winners and Losers

Legislative winners included patent practitioners and the biotechnology industry. Patent practitioners benefited most from provisions that were not as hotly contested as others: reforms that would allow for the modernization of practices by the USPTO by giving the agency slightly greater independence without removing it from the Department of Commerce.¹⁷⁷ Mike Kirk of the AIPLA lauded the legislation as one of the most important patent reforms ever, saying that it would put American inventors on equal footing with their foreign counterparts.¹⁷⁸ Conversely, the biotechnology industry benefited most from the day-for-day term extensions provided under the AIPA for prosecution delays, since biotechnological inventions traditionally suffered disproportionately longer prosecution times before the USPTO compared to other technologies.

Ironically, the legislative losers were primarily independent inventors and small businesses. Despite new protections against invention development companies, many of the lobbyists for the independent inventors were disgusted by the reform and felt betrayed by Rep. Rohrabacher. Kevin Delaney, president of the National Patent Association, a nationwide organization that represents independent inventors, said “I thought Rohrabacher was our savior, but now I feel sure he convinced the Republican leadership to jump to the other side... [w]e took the stand that there was no surrender and I thought we had enough backing to stop this thing.”¹⁷⁹ Although he conceded that compromises in the bill had made it somewhat more palatable, Delaney drew the following comparison: “A good analogy is knowing that you’re about to be shot. The only question is do you want it in the head or the knee. We took it in the knee. We’re hurting, but we’re not dead.”¹⁸⁰

¹⁷⁷ Slind-Flor, *supra* note 1 at B15.

¹⁷⁸ David McGuire, *Hatch, Leahy Praise IP Provisions In Budget*, NEWSBYTES, November 19, 1999, at 1.

¹⁷⁹ Kelly Patricia O'Meara, *A Stealth Attack on Patent Rules*, INSIGHT ON THE NEWS, January 31, 2000, at 20.

¹⁸⁰ *Id.*

B. Intellectual Property and the Legislative Process

When it comes to intellectual property legislation, much of the substantive work is usually concentrated in the first year of the two-year legislative cycle.¹⁸¹ Oversight or background hearings are usually held to determine the need for legislation, followed by drafting of bills and hearings of the bills themselves.¹⁸² Legislators seek to find common ground after receiving input from interest groups, or at least ground that can garner a majority vote.¹⁸³ The 106th Congress was unusual in this regard, accomplishing almost all of its substantive work in the intellectual property arena in the first year of the legislative cycle.¹⁸⁴ This was due to the fact that much of this work had been carried out in earlier Congresses, and the AIPA was already fully developed at the opening of the 106th Congress.¹⁸⁵ Having consumed the lion's share of the House and Senate Judiciary Committees' agendas during that time, the 106th Congress substantially diminished its intellectual property activity in the second year of the legislative cycle.¹⁸⁶

In a review of intellectual property legislation from 1900 to 2000, Robert Merges states that intellectual property legislation became more important in the closing years of the twentieth century than it was in earlier years.¹⁸⁷ This conclusion is based upon several factors. First, in general, more law was created through legislation than in previous years.¹⁸⁸ Second, intellectual property assets grew in economic importance at the same time that courts increased the strength of the property rights that attach to them.¹⁸⁹ One byproduct of this increased importance is reflected in the battle toward enactment of the AIPA: the marked increase in Congressional lobbying in this area.¹⁹⁰

¹⁸¹ Hayden Gregory, *The 106th Congress: A Fast Start and a Slow Finish*, INTELLECTUAL PROPERTY LAW NEWSLETTER, Winter, 2001, at 1.

¹⁸² *Id.*

¹⁸³ *Id.*

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

¹⁸⁶ *Id.*

¹⁸⁷ Robert P. Merges, *One Hundred Years Of Solicitude: Intellectual Property Law, 1900-2000*, 88 CALIF. L. REV. 2187, 2234 (2000).

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ *Id.*

As explained by Merges, such a shift is not necessarily disturbing given the complexity of the subject matter.¹⁹¹ In other words, interest groups for which intellectual property rights are a significant contributor to the bottom line will understandably increase their spending on lobbying simply in order to educate legislators and their staffs.¹⁹² There is a danger, however, for private influences to skew the benefits of legislation toward a small number of specific beneficiaries at the expense of the general public.¹⁹³ The potential for skewed legislation is most prominent where the costs of such benefits are spread over a large number of consumers over a long period of time, thus diminishing the perceived cost and decreasing the chance that organized opposition will mount their own lobbying efforts.¹⁹⁴

As an example of such an effect, Merges cites the Sonny Bono Copyright Term Extension Act of 1998.¹⁹⁵ With the copyright on Mickey Mouse set to expire in 2003, the Walt Disney Company pushed for a law in the 105th Congress that would grant a 20-year extension on all copyrighted works.¹⁹⁶ With added support from the motion picture industry, the result was a new law that extends the copyright term for individual artists from life-plus-fifty years to life-plus-seventy years, and allows studios to keep copyrights for ninety-five years.¹⁹⁷ Merges argues that the major beneficiaries of this Act are current copyright owners and not future creators of copyrightable material, since an extension of twenty years to the copyright term is negligible with respect to incentives to create new copyrightable works.¹⁹⁸ In addition, the cost of this benefit falls on consumers, but in a way in which they will pay individually in small doses over a long period of time.¹⁹⁹ Therefore, there was little in the way of effective lobbying against the Act.

Where such clear imbalances exist in effective lobbying for statutes that are drawn close to a line drawn by the Constitution,

¹⁹¹ *Id.* at 2235.

¹⁹² *Id.*

¹⁹³ *Id.* at 2236.

¹⁹⁴ *Id.*

¹⁹⁵ *Id.*; Pub. L. No. 105-298, 112 Stat. 2827 (1998) (codified in scattered sections of 17 U.S.C.).

¹⁹⁶ *Id.* at n. 218, citing Center for Responsive Politics, *No lights, no camera, lots of action: Behind the Scenes of Hollywood's Washington Agenda* (Oct. 11, 1998), <http://www.opensecrets.org/alerts/v4/alrtv4n35.asp> (last visited Dec. 12, 2006).

¹⁹⁷ *Id.*

¹⁹⁸ *Id.* at 2236.

¹⁹⁹ *Id.*

Merges argues that it should be relevant upon judicial review that only industry groups were represented during the drafting of the statute.²⁰⁰ For example, where a private bill granting a term extension for a specific patent was tucked into an unrelated piece of legislation,²⁰¹ such an inquiry could tip the scales toward a finding of invalidity. The issue could then be re-addressed by Congress, with closer attention to the balances implicated by the Intellectual Property Clause of the Constitution.²⁰²

With respect to the enactment of the AIPA, however, the type of imbalance in effective lobbying described above seemed to have been avoided. Groups representing individual inventors were able to gain the support of Rep. Rohrabacher and make their voices heard.

Although some of these lobbyists felt betrayed by Rep. Rohrabacher's compromises, their collective efforts not only killed patent bills in the 104th and 105th Congresses, but forced concessions such as a narrower prior user defense that was limited to business process and method patents.²⁰³ Their inability, however, to prevent other provisions such as the requirement for publication of applications after 18 months, is not indicative of a general failure in the legislative process with respect to intellectual property. On the contrary, their efforts provided just the kind of appropriate counterweight that Merges warns may not be present in all industry-backed intellectual property legislation.

VI. CONCLUSION

What started as a bill to prevent unscrupulous invention development firms from exploiting independent inventors evolved into the AIPA, a \$390 billion omnibus spending bill that implemented the biggest changes to patent law since 1952. Over the course of four years, this process brought together such seemingly strange bedfellows as Phyllis Schlafly and 26 Nobel Prize-winning scientists, who shared a mutual opposition to proposed changes to the patent laws. Ultimately, the AIPA included patent law reform measures, bills to extend the time and scope of compulsory licensing for retransmission

²⁰⁰ *Id.* at 2237.

²⁰¹ *Id.* at 2238; *see, e.g., Claritin Maker Hires Top Lobbyists for Patent Bid*, DALLAS MORNING NEWS, May 14, 1999, at 6A (describing pharmaceutical firm Schering-Plough's efforts to obtain a private patent bill to extend the life of their patent on the allergy drug Claritin).

²⁰² Merges, *supra* note 187 at 2239.

²⁰³ H.R. 1907, 106th Cong. (1999); Sandburg, *supra* note 140 at 1.

of television broadcasting, anti-cybersquatting measures, and a host of add-ons. Although the field of intellectual property law seems to have escaped partisan politics in recent Congresses, partisan differences on other issues often have a spillover effect on intellectual property matters. The legislative history of the AIPA stands as an example of this fact.