Mr. MENENDEZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. The clerk will call the roll.

Mr. SCHUMER. Mr. President, I rise to speak in support of the America Invents Act generally and about the managers’ amendment specifically.

The America Invents Act, also known as the patent reform bill, has been pending for many years and has been the subject of extensive debate, negotiation, and revisions. In its current draft, it does much needed good to help protect the American innovation economy by updating and modernizing our patent system.

The patent system in the United States is designed to protect innovation and inventions and investment. But over the last several decades, the Patent and Trademark Office has become bogged down and overburdened by inefficient process and outdated law. The result is a heavy burden on the innovative work that is the engine of our economy.

I wish to commend Senator LEAHY. He has gone the extra mile for this bill for many years. I am proud and glad he is seeing his work come to fruition as we finally debate the bill on the floor. Passage of the bill is in sight. I also wish to commend the ranking member of the Judiciary Committee, Senator Coburn. We are grateful, as well as Senator Kyl, who has taken a leading role on the Republican side, for their hard work in crafting a bill that effectively modernizes the patent system, while paying attention to the many and varied demands different sectors of the economy exert upon it.

I am particularly pleased the chairman and the ranking member, Senator Kyl, and the managers’ amendment on business method patents then attempt to extract settlements from the banks by suing them in plaintiff-friendly courts and tying up in years of extremely costly litigation. This is not a small problem. Around 11,000 new applications for patents on business methods are filed every year, and financial patents are being litigated almost 30 times more than patents as a whole. This is not right, it is not fair, and it is using desperately needed money and energy out of the economy and putting it into the hands of a few litigants. So I am very pleased Congress is going to fight it.

The Schumer-Kyl amendment, which was included in the managers’ package we just adopted, will allow companies that are the target of one of these frivolous business method patent lawsuits to go back to the PTO and demonstrate, with the appropriate prior art and evidence, that the patents have been issued in the first place. That way bad patents can be knocked out in an efficient administrative proceeding, avoiding costly litigation.

One of the most critical elements of the amendment is what to do with the stay of litigation while review of the patent is pending at the PTO. The amendment includes a four-factor test for the granting of a stay that places a very heavy thumb on the scale in favor of the stay. Indeed, the test requires the court to ask whether a stay would reduce the burden of the litigation on the parties and the court. Since the entire purpose of the transitional program at the PTO is to reduce the burden of litigation, it is nearly impossible to imagine a scenario in which a district court would not issue a stay.

In response to concerns that earlier versions of the amendment were too broad, we have modified it so that it is narrower. We want to make sure to capture the business method patents which are at the heart of the problem and avoid any collateral circumstances.

In conclusion, I believe the amendment takes an important step in the direction of eliminating the kinds of frivolous lawsuits the jurisprudence on business method patents have allowed. I am very grateful to the chairman and the ranking member, Senator Kyl, and I support the managers’ amendment and the America Invents Act as a whole.

Finally, I would like to say a few words about Senator Coburn’s proposal on fee diversion. I think his idea, which is incorporated in the managers’ amendment, makes a lot of sense; that is, to let the PTO keep the fees they charge so they are self-funded and we don’t have to spend taxpayer money to fund them every year.

One year ago, when we were debating the Wall Street reform bill, Senator JACK REED and I made a similar proposal for the SEC, which ultimately didn’t make it into the final bill. I just wanted to...
take this time to make a few points about this commonsense proposal.

First, for the last 15 years, the SEC hasn’t spent a dime of taxpayer money. For 15 years, the SEC has had no impact on the deficit. This is because Congress, in an effort to avoid the securi-
ties laws to provide that 100 percent of the SEC’s funding comes from registration and filing fees charged by the Commission.

Second, even though the SEC collects more in fees every year than it spends, the amount of the SEC’s annual budget is determined by Congress, which has continually shortchanged the SEC. The SEC’s budget has been in the crosshairs for years, and their funding has been so inadequate that they have been compromised in their ability to pursue their core mission.

Third, the budget proposal in the House would continue the short-
chaging of the SEC, cutting $40 million from its existing budget at a time when it needs resources more than ever.

Finally, a word about the current de-
mands on the SEC. We gave that agen-
cy significant new responsibilities under the Dodd-Frank Act, in par-
ticular overseeing the previously un-
regulated derivative markets. That is an enormous undertaking that everybody agrees is necessary after seeing the role that unregulated derivatives played in the financial crisis.

In closing, I would strongly suggest to my colleagues that if self-funding makes sense for the PTO, it makes sense for the SEC. I am not going to call up my amendment now or my bill now, but I urge my colleagues to sup-
port this commonsense proposal Sen-
ator Reed and I are pushing and ensure it gets a full hearing in the Senate. I thank the Chair for his time and at-
tention.

COMMITTEE ON APPROPRIATIONS RULES OF PROCEDURE

Mr. INOUYE. Mr. President, the Senate Appropriations Committee has adopted rules governing its procedures for the 112th Congress. Pursuant to rule XXVI, paragraph 2, of the Stand-
ing Rules of the Senate, on behalf of myself and Senator Cochran, I ask unanimous consent that a copy of the committee rules be printed in the RECORD.

There being no objection, the mate-
rial was ordered to be printed in the RECORD, as follows:

SENATE APPROPRIATIONS COMMITTEE RULES—

I. MEETINGS

The Committee will meet at the call of the Chairman.

II. QUORUMS

1. Reporting a bill. A majority of the mem-
bers must be present for the reporting of a bill.

2. Other business. For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

3. Taking testimony. For the purpose of taking testimony, other than sworn testi-
mony, by the Committee or any sub-
committee, one member of the Committee or a member of the Committee staff shall constitute a quorum.

For the purpose of taking sworn testimony by the Committee, three members shall con-
stitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

III. PROXIES

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

IV. ATTENDANCE OF STAFF MEMBERS AT CLOSED SESSIONS

Attendance of staff members at closed ses-
sions of the Committee shall be limited to those members of the Committee staff who have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous con-
sent.

V. BROADCASTING AND PHOTOGRAPHING OF COMMITTEE HEARINGS

The Committee or any of its subcommit-
tees may permit the photographing and broadcasting of an open hearing or radio. However, if any member of a sub-
committee objects to the photographing or broadcasting of an open hearing, the ques-
tion shall be referred to the full Committee for its decision.

VI. AVAILABILITY OF SUBCOMMITTEE REPORTS

To the extent possible, when the bill and report of any subcommittee are available, they shall be furnished to each member all the Committee thirty-six hours prior to the Committee’s consideration of said bill and report.

VII. AMENDMENTS AND REPORT LANGUAGE

To the extent possible, amendments and report language intended to be proposed by Senators at full Committee markups shall be provided in writing to the Chairman and Ranking Minority Member and the appro-
priate Subcommittee Chairman and Ranking Minority Member twenty-four hours prior to such markups.

VIII. POINTS OF ORDER

Any member, the person who is floor man-
ger of an appropriations bill, is hereby authorized to make points of order against any amendment offered in violation of the Senate Rules on the order of the Senate to such appropriations bill.

IX. EX OFFICIO MEMBERSHIP

The Chairman and Ranking Minority Mem-
er of the full Committee are ex officio mem-
bers of all subcommittees of which they are not regular members but shall have no vote in the subcommittee and shall not be count-
ed for purposes of determining a quorum.

COMMITTEE ON ARMED SERVICES RULES OF PROCEDURE

Mr. LEVIN. Mr. President, I ask unanimous consent that the rules of procedure of the Committee on Armed Services be printed in the RECORD.

There being no objection, the mate-
rial was ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON ARMED SERVICES—

1. REGULAR MEETING DAY.—The Committee shall meet at least once a month when Con-
gress is in session. The regular meeting days of the Committee shall be Tuesday and Thurs-

day, unless the Chairman, after consultation with the Ranking Minority Mem-
ber, directs otherwise.

2. ADDITIONAL MEETINGS.—The Chairman, after consultation with the Ranking Minor-
ity Member, may call such additional meet-
ings as he deems necessary.

3. QUORUM.—A majority of the members of the Committee or a subcommittee of the Committee may be called by a majority of the members of the Committee in accord-
ance with paragraph XXVI of the Standing Rules of the Senate.

4. OPEN MEETINGS.—Each meeting of the Committee, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Com-
mittee, or a subcommittee thereof, on the same subject for a period of no more than fourteen (14) calendar days may be closed to the public on a motion made and seconded to go into closed session by the Chairman or any member of the full Committee; or, if the Chairman is absent, by the Ranking Majority Member, or if the Chairman and Ranking Majority Member are absent, by a majority of the members of the Committee or a subcommittee thereof. In making such a motion, the Chairman or any member of the Committee shall state the basis for closing the meeting and shall call for a roll call vote in open session by a majority of the members of the Committee or a subcommittee thereof. The Chairman or any member of the Committee shall preside at all meetings and hearings of the Committee except that in his absence the Ranking Majority Member present at the meeting or hearing shall preside unless by majority vote the Committee provides other-
wise.

6. QUORUM.—(a) A majority of the members of the Committee are actually present to report a matter or measure from the Committee. (See Standing Rules of the Senate 26.1a(1)).

(b) CONSENT.—Except as provided in subsections (a) and (c), and other than for the conduct of hearings, nine members of the Committee, including one member of the minority party; or a majority of the members of the Com-
mittee, shall constitute a quorum for the transaction of such business as may be con-
sidered by the Committee. (Standing Rules of the Senate 26.1a(3)).

(c) Three members of the Committee, one of whom shall be a member of the minority party, shall constitute a quorum for the pur-
pose of taking sworn testimony by any sub-
committee or a subcommittee thereof or other-
wise ordered by a majority of the full Com-
mittee.