Mr. DURBIN. I announce that the Senator from North Dakota (Mr. CONRAD), the Senator from North Carolina (Mrs. HAGAN), the Senator from Vermont (Mr. LEAHY), the Senator from Vermont (Mr. SANDERS), and the Senator from Virginia (Mr. WEBB) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Nevada (Mr. ENSIGN), the Senator from Utah (Mr. HATCH), the Senator from North Dakota (Mr. HOEVEN), the Senator from Georgia (Mr. ISAKSON), the Senator from Alaska (Ms. MURkowski), and the Senator from Kentucky (Mr. PAUL).

Further, if present and voting, the Senator from Utah (Mr. HATCH) would have voted ‘yea.’

The PRESIDING OFFICER (Mr. MANCHIN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 33 Exe.]

YEAS—89

Akaka  Enzi  Mikuši
Alexander  Feinstei n  Moran
Ayotte  Franken  Murray
Barассeo  Grassianni  Nelson (NE)
Baucus  Graham  Nelson (FL)
Begich  Grassley  Portman
Bennet  Harkin  Pryor
Bingaman  Hatchen son  Reed
Blumenthal  Inhofe  Reid
Blunt  Inouye  Roberts
Boozman  Johnson  (ND)  Roberts
Corker  Johnson (WI)  Rockefeller
Coons  Kinzinger  Sessions
Cochran  Kobach  Shaheen
Collins  Kohl  Shelby
Conrad  Kyl  Snowe
Chambliss  Lautenberg  Stabenow
Coats  Lugar  Tester
Cochrane  Lieberman  Thune
Collins  Lincoln  Toomey
Coons  Manchin  Udall (CO)
Corker  McCain  Vitter
Curray  McCaskill  Warner
Crapo  McConnell  Whitehouse
DeMint  Menendez  Wicker
Durbin  Merkley  Wyden

NOT VOTING—

CONRAD  Roberts  Paul
Ensign  Isakson  Sanders
Hagan  Leahy  Webb
Hatch  Mikuši  Warwick

The nominations were confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are considered made en bloc and laid upon the table en bloc.

Under the previous order, the President will be immediately notified of the Senate’s action.

LEGISLATIVE SESSION

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

PATENT REFORM ACT OF 2011—Resumed

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 23, the America Invents Act.


(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

Mr. LEAHY. Mr. President, today the Senate will take another step toward completing action on the America Invents Act. This is common sense legislation that will make the first comprehensive reforms to our Nation’s patent system in nearly 60 years. The debate on this bill since its introduction 6 years ago has been long, and the compromise has been many. I am confident that the bill before us today makes the needed changes to bring the U.S. Patent and Trademark Office into the 21st century.

The America Invents Act is bipartisan legislation that has resulted from deliberation in both the Senate and House. It has been the topic of more than a dozen hearings and committee meetings in the Senate, and countless hours of meetings and negotiations. I had hoped to complete action on this legislation last week. The additional time has allowed every Senator the opportunity to come to the floor and speak about the important matters encompassed by this bill. We have debated and adopted relevant amendments and debated and rejected other amendments, including some that were not even relevant to this legislation. This is a bill that does not spend a dollar of taxpayer money and does not add to the deficit. It will directly result in millions of dollars being saved, and indirectly in helping unleash American innovation to create jobs and help bolster our economy.

Now is the time to act. Now is the time to vote. Now is the time to move forward with this job-creating bill that will help boost our economy and restore America’s competitive edge in the global marketplace.

Modernizing our patent system through the America Invents Act will make America more competitive. It protects innovators and inventors large and small, from the small independent inventor in Middlesex, VT, to cutting-edge manufacturers and innovators in Ohio and California. It will give the Patent and Trademark Office the tools it needs to process patent cases faster for what may be the next life-saving device or life-changing invention. And the America Invents Act will do all of this without spending a dollar of taxpayer money. This is a jobs bill that doesn’t add a cent to the deficit. Supporters of this legislation come from both sides of the aisle, from every corner of the country, and from every component of the patent community.

Senator from North Dakota (Mr. HOEVEN), the Secretary of State, examined the application, and President George Washington signed it. A lot has changed in the more than 224 years since that first patent was issued, and we remain as committed as ever to be at the forefront of innovation. Enacting the America Invents Act is one way in which we can come together and show the American people that we in Washington are working together with the future of our country in mind.

I commend Austan Goolsbee, the chair of the President’s Council of Economic Advisers, for his white board presentation today on the importance of patent reform to help America win the global competition and create jobs.

The creation of more than 220,000 jobs in the private sector last month, the creation of 1.5 million jobs over the last 12 months, and the unemployment rate finally being reduced to 8.9 percent are all signs that the efforts we have made over the last 2 years to stave off the worst recession since the Great Depression are paying off and the economic recovery is taking hold. The almost full percent point drop in the unemployment rate over the last three months is the largest decline in unemployment since 1983. Despite interruptions of economic activity in many parts of the country caused by winter weather over the last months and days, despite the extraordinary rise in oil prices, the Dow Jones industrial average has climbed back to over 12,000 from a low point of 6,500. Passage of the America Invents Act should help bolster our economic recovery and keep us on the right path toward business development and job creation.

I urge all Senators to support the cloture motion on the America Invents Act. The Nation’s economy, American inventors and innovators, our competitive edge in the global marketplace all will be helped when we pass this important bill.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on S. 23, the Patent Reform Act of 2011, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.
I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) would vote "yea."

Mr. KYL. The following Senators are necessarily absent: the Senator from Nevada (Mr. ENNIS, the Senator from Utah (Mr. HATCH), the Senator from North Dakota (Mr. HOEVEN), the Senator from Georgia (Mr. ISAKSON), the Senator from Alaska (Ms. MURKOWSKI), and the Senator from Kentucky (Mr. PAUL).

Further, if present and voting, the Senator from Utah (Mr. HATCH) would have voted "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 3, as follows:

(Rollcall Vote No. 34 Leg.)

**YEAS—87**

Akaka  Feinstein  Merkley
Alexander  Franken  Mikulski
Ayotte  Gilsheimer  Moran
Barrasso  Graham  Murray
Baucus  Grassley  Nelson (NE)
Begich  Hagan  Nelson (FL)
Bennet  Harkin  Portman
Bingaman  Hutchison  Pryor
Blumenthal  Inhofe  Reid
Blunt  Inouye  Reid
Boozman  Johnson  Roberts
Boozman  Johnson (SD)  Rockefeller
Brown (MA)  Johnson (WI)  Rubio
Brown (OH)  Kerry  Schumer
Burr  Kyl  Sessions
Cardin  Klobuchar  Shaheen
Carper  Kohl  Shelby
Casey  Kyl  Snowe
Chambliss  Landrieu  Stabenow
Coats  Lautenberg  Tester
Coburn  Lee  Thune
Cooper  Levin  Toomey
Collins  Lieberman  Udall (CO)
Coons  Logue  Udall (NM)
Corker  Manchin  Vitter
Corzine  McCaskill  Warner
DeMint  McCaskill  Whitehouse
Durbin  McConnell  Wicker
Enzi  Menendez  Wyden

**NAYS—3**

Cantwell  Crapo  Risch

NOT VOTING—10

**Conrad**  **Ensign**  **Hatch**  **Hoeven**  **Isakson**  **Leahy**  **Markkowski**  **Paul**

The PRESIDING OFFICER. On this vote, the yeas are 87, the nays are 3. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The clerk will report the pending business.

The legislative clerk read as follows:

**A bill (S. 23) to amend title 35, United States Code, to provide for patent reform.**

The amendment numbered 114 was agreed to, as follows:

(Purpose: To clarify that section 14 shall not apply to an invention that is a computer program product or system used solely for preparing a tax or information return or other tax filing, including one that records, transmits, transfers, or organizes data related to such filing.)

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

**AMENDMENTS NOS. 114 AND 116, WITHDRAWN**

Mr. REID. Mr. President, I ask unanimous consent to withdraw the pending Leahy and Bennet amendments.

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

**AMENDMENT NO. 143**

Mr. REID. Mr. President, I call up my amendment, which is No. 143, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

**A bill (S. 23) to amend title 35, United States Code, to provide for patent reform.**

The amendment numbered 143 was agreed to, as follows:

(Purpose: To include public institutions of higher education in EPSCoR jurisdictions in the definition of a micro entity)

Mr. REID. Mr. President, I request unanimous consent that the reading of the amendment be dispensed with.

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

**AMENDMENT NO. 142**

Mr. REID. Mr. President, I call up another amendment, which is No. 142.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

**A bill (S. 23) to amend title 35, United States Code, to provide for patent reform.**

The amendment numbered 142 was agreed to, as follows:

(Purpose: To exempt a micro entity from EPSCoR)
that PTO can have an open, competitive process in making determinations for future regional satellite offices. At this moment, I would like to invite the senior Senator from Colorado, Mark Udall, to enter into a colloquy to discuss this amendment.

The establishment of regional satellite offices will help the USPTO recruit and retain workers from across the country. Regional offices will draw local scientists, engineers and patent attorneys to the USPTO, which adds real world expertise to the patent review process. They will also increase outreach activities and connection to patent filers; enhance the ability of the USPTO to recruit and retain patent examiners; and improve the quality and predictability for patent applications.

In short, USPTO Director Kappos has already taken steps toward establishing regional satellite offices. Our amendment is intended to build on this prior work, which I believe provides a good foundation for the USPTO improving its footprint in innovation centers across the country. I know Senator Udall and I will be advocating for a regional satellite office in Denver, and of course we expect other advocates to point out the merits of their potential sites as well.

Mr. Udall of Colorado. I would also like to thank the chairman for helping us pass this important amendment. Right now, the European Union uses four different regional offices to improve its footprint in innovation centers across the country. We need to have these regional offices in order to connect innovators and businesses across the country.

The current lack of regional satellite offices is even more of a problem when you consider all of the recruitment and retention issues the USPTO has with its patent examiner workforce. USPTO is unable to hire and retain qualified examiners because of its single location in Alexandria, VA. This has resulted in one-third of patent examiners having been with the USPTO for less than 3 years. USPTO should be recruiting examiners from across the country. Establishing satellite offices will help the USPTO develop expertise from all regions of the country—and I know that a satellite office in Denver, CO, would attract highly qualified examiners.

Mr. Bennet. I agree with the Senator. We need to be maximizing our human capital. I have heard from a number of more senior patent attorneys and engineers in Denver that would love to work for the USPTO but cannot uproot their families across the country. Having a satellite office in places like Denver will make sure we are taking advantage of these high-skilled workers.

While our amendment provides for an open, geographically diverse patent examiner office, this amendment for future offices, we do hope that the Office can build on its decision making process in 2010. This process ultimately led to the selection of Detroit as an initial regional satellite. While Senator Udall and I were disappointed that Colorado wasn’t selected, we respect the thoroughness of the USPTO’s review and do not want all of its hard work to go to waste.

Mr. Udall of Colorado. There really are a number of objective reasons for choosing Denver. First, opening an office in Colorado will permit USPTO to recruit and hire from a pool of the best candidates the U.S. has to offer. Colorado is home to a great number of technology workers who would be excellent long-term patent examiners for an office located in Colorado. The technology workforce in Colorado is consistently ranked in the top-10 in the U.S. in many important categories. According to a report by Pew Research, Colorado is ranked: third for percent of residents with a college degree or more; fifth for number of workers with science and engineering degrees per capita; fifth for number of scientists and engineers as a percent of the labor force; and second for number of patents per 1,000 workers. Additionally, other Federal agencies have found Colorado to be a great place to locate an office. Outside of the Washington metro area, Denver has the highest number of Federal employees per capita.

Because Colorado is a very desirable place to live, locating a satellite office in Colorado would allow the USPTO to dramatically improve its ability to recruit and retain its most valuable employees. According to the report by Pew Research, Colorado is ranked first for percent of U.S. workers who say they want to live there; and sixth for the percentage of sunny days. Colorado is also well known for its reasonable cost of living, especially in comparison to cities located on the east and west coasts, and Chicago.

Colorado is also centrally located in the U.S. and easily accessible to the entire nation. In the middle of the country provides convenient access for the technology centers of the West, Midwest, and Rocky Mountain regions.

Mr. Bennet. I fully agree with Senator Udall. There are a number of clear, objective reasons why Colorado should be a regional satellite location for the USPTO. My understanding is that in 2010 the USPTO applied a number of criteria to review numerous sites, which largely reflects the agreement on patent-reform legislation that Senator Leahy and I announced last year. The Judiciary Committee has been working hard on landmark patent reform legislation for the past 7 years, and has finally reached a broad, bipartisan agreement. This bill includes important reforms that will improve the functioning of the Patent and Trademark Office and will allow the office to reduce its backlog of pending applications. The bill also makes the long-overdue transition to a first-to-file system, a change that will help ensure U.S. inventors receive patents that will also be entitled to priority in foreign countries.

This bill has the support of a broad range of industries and trade associations, across the economic spectrum, as well as the support of universities, patent professional organizations, independent entrepreneurs and labor unions. The PTO and the Commerce Department also strongly support this legislation. While not all interests are satisfied, I think it is fair to say that this bill has received a near consensus on this issue, and has resulted in the broadest possible support for this reform.

The most important change made by this bill is its adoption of a first-to-file patent system. Under current U.S. law, when two different people come up with the same invention, priority is given to the person who can prove that he first conceived of the invention and was able to make it work. Under the first-to-file system, priority is given to the first person who not only conceived of the invention and was able to make it work, but who also filed a disclosure with the PTO explaining the invention and how to make it work.

The first-to-file system has several important advantages over the current system. First, it is easy to verify when an inventor filed a disclosure statement with the PTO. By contrast, under the current system, priority dates are determined by examining the inventor’s notebooks and other records, all of which must have been contemporaneously validated by a third party. The first-to-file system not only dispenses with expensive discovery into “what did the inventor know and when did he know it,” it also allows the public to easily determine an invention’s priority date—and whether a patent for the invention is valid in light of the prior art. Additionally, a first-to-file system, combined with the use of provisional applications for patents, also provides an inexpensive and secure way for small inventors...
to protect their patent application while discussing the invention with possible investors and other third parties.

Other reforms included in the bill will improve the quality of U.S. patents over the long term. The bill also allows third parties to submit prior art relevant to a patent application before the patent is issued. This will help PTO determine if the invention is already in the public domain and should not be patented. This provision will allow the public to help the PTO correct its mistakes, and ensure that no patent rights are granted for inventions already available to the public.

The bill also makes structural reforms to post-grant review that were sought by the Senate. It allows patent owners to reexamine their inventions to be run as an adjudicative system, and elevates the threshold for starting post-grant proceedings. The PTO has insisted that a higher threshold is critical to its ability to administrate these proceedings. By raising the threshold for starting an inter partes reexamination to a showing of a “reasonable likelihood” that a patent is invalid, the bill will allow the PTO to avoid accepting challenges that were unlikely to win in any event.

The bill also includes many protections that were long sought by inventors and patent owners. It preserves a de facto moratorium against reinitiating in court those issues that an inter partes challenger reasonably could have raised in his administrative challenge. It imposes time limits on starting an inter partes or post-grant review when litigation is pending. And it imposes a one-year time limit on the duration of these proceedings. All of these reforms will help to ensure that post-grant review operates fairly and is not used for purposes of harassment or delay.

I commend the members of the Judiciary Committee for the work they have put into this bill and I urge my colleagues to support passage.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period for the transaction of morning business, and that the 30 hours postcloture run on the patent bill, and that Senator GRASSLEY be recognized for whatever time he may use in morning business, and that following his statement, Senators be recognized for up to 10 minutes each.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that I may speak for some little time after 10 minutes.

Mr. REID. Mr. President, I know my friend was preoccupied. I knew he wanted to do that. The unanimous consent agreement said whatever time he may consume.

The PRESIDING OFFICER. The Senator from Iowa.

ENERGY

Mr. GRASSLEY. Mr. President, the American economy remains on an unsettled footing, as we all know. There are some real signs of economic recovery, but it shows a fragile recovery. The consumer confidence level seems to be increasing, and that is good news. U.S. factory activity is up. That is good news. But also we are very nervous about the housing market remaining weak. The Nation’s unemployment rate stands at 9 percent—maybe officially now 8.9 percent—and now our economy is facing a significant head wind due to higher gas prices. Since the unrest began in Tunisia, our energy markets have rocked upward, with the uprisings in Egypt and now in Libya. Libya, Libya produces only roughly 2 percent of the world’s crude oil, with much of it sold to Europe. Even now, with Libya producing such a small amount, it still makes a tremendous impact on the world market of oil. The uncertainty and fear about supplies, according to oil speculators, has driven crude oil prices to more than $100 a barrel. Prices this year have already reached $85 before the unrest in the Middle East. The events going on in North Africa and the Persian Gulf area just worsened the problem.

According to the Energy Information Administration, gas prices jumped 19 cents during a 1-week period at the end of February. This is the second largest 1-week jump in more than 20 years. I think over the weekend we learned that gasoline, in a 2-week period of time, is up 55 cents. So Americans are now paying, on average, $3.51 a gallon for gas. That, obviously, is about 80 cents higher than this time last year.

The average cost to fill a tank of gas is likely around $50. We all know that for a family struggling to make ends meet, these are valuable dollars spent at the pump, with most of those dollars going overseas.

I am sure the President is aware that the average family is spending $730 million a day to import oil. Obviously, that is now a much higher figure, probably close to $1 billion a day right now. Our country is at risk, our economy is at risk, our Nation’s security is at risk; that is, economic security, but also it is related to our national security. Our ever-increasing reliance on foreign sources for energy is undermining our Nation’s economic and national security. The activities in the Middle East over the last 6 weeks should be a wake-up call. It should, in fact, be a wake-up call. Let me be clear. I know that for our economy to grow and for business and individuals to thrive, we need access to reliable, affordable energy. I support an energy policy that I like to say is akin to a four-legged stool or another way of saying it is all of the above—obviously, all the sources of petroleum we can get our hands on, and more domestically, obviously, than import of alternative energy. Conservation has to be a leg of that stool and, obviously, nuclear energy.

So to be repetitive: First, we have to have access to oil resources here at home. Two years ago, when gas prices were so high, the rallying cry was “drill here, drill now.” It seems to me that still is a legitimate rallying cry for us with gas at $3.51 a gallon. The idea that we limit our access to our own resources, which in turn leads us to go hat in hand to foreign dictators such as Hugo Chavez and oil sheiks is ludicrous. It is silly to be sending more money overseas to give people resources to train terrorists to kill Americans.

We currently import more than 60 percent of our crude oil, and it doesn’t have to be that way. I know we can’t get to energy independence by drilling here and drilling now all by itself, but it is a start. Last year we are in our economy held hostage by events in Libya—North Africa generally—or the Persian Gulf area and particularly with Libya only supplying 2 percent of the world’s oil?

The Obama administration needs to put an end to the existing policy of a de facto moratorium through permitting; that is, for drilling onshore and offshore of our own domestic supply. We need to make sure we are doing everything we can to protect workers and the environment. But permitting delays and obstacles should not prevent our Nation from moving forward to developing resources here at home.

I also support efforts to expand the use of clean coal and nuclear. I also support conservation efforts. I agree that the cheapest form of energy is the energy that doesn’t have to be used. That is conservation. Here in the Senate, I have supported policies aimed at reducing energy use in homes and buildings through conservation and energy-efficient technologies. I see the value in reducing overall energy consumption.

I have also been a leader in the Senate in promoting alternative and renewable energy. Why? Because the supply of fossil fuels is a finite quantity. We must look to alternative and renewable resources so we can improve our energy and our national security. This includes supporting energy from wind, biomass, hydroelectric, solar, geothermal, and biofuels.

I would like to focus now on the effort to develop homegrown biofuels. For many years, Congress has realized the need to develop an alternative to fossil fuels, particularly as a means of reducing our dependence on that fossil fuel. One of the first priorities was a tax incentive to encourage the use of