

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 515

To amend title 35, United States Code, to provide for patent reform.

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## IN THE SENATE OF THE UNITED STATES

MARCH 3, 2009

Mr. LEAHY (for himself, Mr. HATCH, Mr. SCHUMER, Mr. CRAPO, Mr. WHITEHOUSE, Mr. RISCH, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 35, United States Code, to provide for patent reform.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5       “Patent Reform Act of 2009”.

6       (b) **TABLE OF CONTENTS.**—The table of contents for  
7       this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Right of the first inventor to file.
- Sec. 3. Inventor’s oath or declaration.
- Sec. 4. Right of the inventor to obtain damages.
- Sec. 5. Post-grant procedures and other quality enhancements.
- Sec. 6. Definitions; patent trial and appeal board.

- Sec. 7. Preissuance submissions by third parties.  
 Sec. 8. Venue and jurisdiction.  
 Sec. 9. Patent and Trademark Office regulatory authority.  
 Sec. 10. Residency of Federal Circuit judges.  
 Sec. 11. Micro-entity defined.  
 Sec. 12. Technical amendments.  
 Sec. 13. Effective date; rule of construction.  
 Sec. 14. Severability.

**1 SEC. 2. RIGHT OF THE FIRST INVENTOR TO FILE.**

2 (a) DEFINITIONS.—Section 100 of title 35, United  
 3 States Code, is amended by adding at the end the fol-  
 4 lowing:

5 “(f) The term ‘inventor’ means the individual or, if  
 6 a joint invention, the individuals collectively who invented  
 7 or discovered the subject matter of the invention.

8 “(g) The terms ‘joint inventor’ and ‘coinventor’ mean  
 9 any 1 of the individuals who invented or discovered the  
 10 subject matter of a joint invention.

11 “(h) The ‘effective filing date of a claimed invention’  
 12 is—

13 “(1) the filing date of the patent or the applica-  
 14 tion for the patent containing the claim to the inven-  
 15 tion; or

16 “(2) if the patent or application for patent is  
 17 entitled to a right of priority of any other applica-  
 18 tion under section 119, 365(a), or 365(b) or to the  
 19 benefit of an earlier filing date in the United States  
 20 under section 120, 121, or 365(c), the filing date of  
 21 the earliest such application in which the claimed in-

1       vention is disclosed in the manner provided by the  
2       first paragraph of section 112.

3       “(i) The term ‘claimed invention’ means the subject  
4       matter defined by a claim in a patent or an application  
5       for a patent.

6       “(j) The term ‘joint invention’ means an invention  
7       resulting from the collaboration of inventive endeavors of  
8       2 or more persons working toward the same end and pro-  
9       ducing an invention by their collective efforts.”.

10       (b) CONDITIONS FOR PATENTABILITY.—

11               (1) IN GENERAL.—Section 102 of title 35,  
12       United States Code, is amended to read as follows:

13       **“§ 102. Conditions for patentability; novelty**

14       “(a) NOVELTY; PRIOR ART.—A patent for a claimed  
15       invention may not be obtained if—

16               “(1) the claimed invention was patented, de-  
17       scribed in a printed publication, or in public use, on  
18       sale, or otherwise available to the public—

19                       “(A) more than 1 year before the effective  
20       filing date of the claimed invention; or

21                       “(B) 1 year or less before the effective fil-  
22       ing date of the claimed invention, other than  
23       through disclosures made by the inventor or a  
24       joint inventor or by others who obtained the

1           subject matter disclosed directly or indirectly  
2           from the inventor or a joint inventor; or

3           “(2) the claimed invention was described in a  
4           patent issued under section 151, or in an application  
5           for patent published or deemed published under sec-  
6           tion 122(b), in which the patent or application, as  
7           the case may be, names another inventor and was  
8           effectively filed before the effective filing date of the  
9           claimed invention.

10          “(b) EXCEPTIONS.—

11           “(1) PRIOR INVENTOR DISCLOSURE EXCEP-  
12           TION.—Subject matter that would otherwise qualify  
13           as prior art based upon a disclosure under subpara-  
14           graph (B) of subsection (a)(1) shall not be prior art  
15           to a claimed invention under that subparagraph if  
16           the subject matter had, before such disclosure, been  
17           publicly disclosed by the inventor or a joint inventor  
18           or others who obtained the subject matter disclosed  
19           directly or indirectly from the inventor or a joint in-  
20           ventor.

21           “(2) DERIVATION, PRIOR DISCLOSURE, AND  
22           COMMON ASSIGNMENT EXCEPTIONS.—Subject mat-  
23           ter that would otherwise qualify as prior art only  
24           under subsection (a)(2), after taking into account

1 the exception under paragraph (1), shall not be prior  
2 art to a claimed invention if—

3 “(A) the subject matter was obtained di-  
4 rectly or indirectly from the inventor or a joint  
5 inventor;

6 “(B) the subject matter had been publicly  
7 disclosed by the inventor or a joint inventor or  
8 others who obtained the subject matter dis-  
9 closed, directly or indirectly, from the inventor  
10 or a joint inventor before the effective filing  
11 date of the application or patent set forth under  
12 subsection (a)(2); or

13 “(C) the subject matter and the claimed  
14 invention, not later than the effective filing date  
15 of the claimed invention, were owned by the  
16 same person or subject to an obligation of as-  
17 signment to the same person.

18 “(3) JOINT RESEARCH AGREEMENT EXCEP-  
19 TION.—

20 “(A) IN GENERAL.—Subject matter and a  
21 claimed invention shall be deemed to have been  
22 owned by the same person or subject to an obli-  
23 gation of assignment to the same person in ap-  
24 plying the provisions of paragraph (2) if—

1           “(i) the claimed invention was made  
2           by or on behalf of parties to a joint re-  
3           search agreement that was in effect on or  
4           before the effective filing date of the  
5           claimed invention;

6           “(ii) the claimed invention was made  
7           as a result of activities undertaken within  
8           the scope of the joint research agreement;  
9           and

10           “(iii) the application for patent for  
11           the claimed invention discloses or is  
12           amended to disclose the names of the par-  
13           ties to the joint research agreement.

14           “(B) For purposes of subparagraph (A),  
15           the term ‘joint research agreement’ means a  
16           written contract, grant, or cooperative agree-  
17           ment entered into by 2 or more persons or enti-  
18           ties for the performance of experimental, devel-  
19           opmental, or research work in the field of the  
20           claimed invention.

21           “(4) PATENTS AND PUBLISHED APPLICATIONS  
22           EFFECTIVELY FILED.—A patent or application for  
23           patent is effectively filed under subsection (a)(2)  
24           with respect to any subject matter described in the  
25           patent or application—



1 tion to a person having ordinary skill in the art to which  
2 the claimed invention pertains. Patentability shall not be  
3 negated by the manner in which the invention was made.”.

4 (d) REPEAL OF REQUIREMENTS FOR INVENTIONS  
5 MADE ABROAD.—Section 104 of title 35, United States  
6 Code, and the item relating to that section in the table  
7 of sections for chapter 10 of title 35, United States Code,  
8 are repealed.

9 (e) REPEAL OF STATUTORY INVENTION REGISTRA-  
10 TION.—

11 (1) IN GENERAL.—Section 157 of title 35,  
12 United States Code, and the item relating to that  
13 section in the table of sections for chapter 14 of title  
14 35, United States Code, are repealed.

15 (2) REMOVAL OF CROSS REFERENCES.—Section  
16 111(b)(8) of title 35, United States Code, is amend-  
17 ed by striking “sections 115, 131, 135, and 157”  
18 and inserting “sections 131 and 135”.

19 (f) EARLIER FILING DATE FOR INVENTOR AND  
20 JOINT INVENTOR.—Section 120 of title 35, United States  
21 Code, is amended by striking “which is filed by an inven-  
22 tor or inventors named” and inserting “which names an  
23 inventor or joint inventor”.

24 (g) CONFORMING AMENDMENTS.—



1           (1) RIGHT OF PRIORITY.—Section 172 of title  
2     35, United States Code, is amended by striking  
3     “and the time specified in section 102(d)”.

4           (2) LIMITATION ON REMEDIES.—Section  
5     287(c)(4) of title 35, United States Code, is amend-  
6     ed by striking “the earliest effective filing date of  
7     which is prior to” and inserting “which has an effec-  
8     tive filing date before”.

9           (3) INTERNATIONAL APPLICATION DESIG-  
10    NATING THE UNITED STATES: EFFECT.—Section  
11    363 of title 35, United States Code, is amended by  
12    striking “except as otherwise provided in section  
13    102(e) of this title”.

14          (4) PUBLICATION OF INTERNATIONAL APPLICA-  
15    TION: EFFECT.—Section 374 of title 35, United  
16    States Code, is amended by striking “sections 102(e)  
17    and 154(d)” and inserting “section 154(d)”.

18          (5) PATENT ISSUED ON INTERNATIONAL APPLI-  
19    CATION: EFFECT.—The second sentence of section  
20    375(a) of title 35, United States Code, is amended  
21    by striking “Subject to section 102(e) of this title,  
22    such” and inserting “Such”.

23          (6) LIMIT ON RIGHT OF PRIORITY.—Section  
24    119(a) of title 35, United States Code, is amended  
25    by striking “; but no patent shall be granted” and

1 all that follows through “one year prior to such fil-  
2 ing”.

3 (7) INVENTIONS MADE WITH FEDERAL ASSIST-  
4 ANCE.—Section 202(c) of title 35, United States  
5 Code, is amended—

6 (A) in paragraph (2)—

7 (i) by striking “publication, on sale,  
8 or public use,” and all that follows through  
9 “obtained in the United States” and in-  
10 sserting “the 1-year period referred to in  
11 section 102(a) would end before the end of  
12 that 2-year period”; and

13 (ii) by striking “the statutory” and  
14 inserting “that 1-year”; and

15 (B) in paragraph (3), by striking “any  
16 statutory bar date that may occur under this  
17 title due to publication, on sale, or public use”  
18 and inserting “the expiration of the 1-year pe-  
19 riod referred to in section 102(a)”.

20 (h) REPEAL OF INTERFERING PATENT REMEDIES.—  
21 Section 291 of title 35, United States Code, and the item  
22 relating to that section in the table of sections for chapter  
23 29 of title 35, United States Code, are repealed.

1 (i) ACTION FOR CLAIM TO PATENT ON DERIVED IN-  
2 VENTION.—Section 135 of title 35, United States Code,  
3 is amended to read as follows:

4 “(a) DISPUTE OVER RIGHT TO PATENT.—

5 “(1) INSTITUTION OF DERIVATION PRO-  
6 CEEDING.—An applicant may request initiation of a  
7 derivation proceeding to determine the right of the  
8 applicant to a patent by filing a request which sets  
9 forth with particularity the basis for finding that an  
10 earlier applicant derived the claimed invention from  
11 the applicant requesting the proceeding and, without  
12 authorization, filed an application claiming such in-  
13 vention. Any such request may only be made within  
14 12 months after the date of first publication of an  
15 application containing a claim that is the same or is  
16 substantially the same as the claimed invention,  
17 must be made under oath, and must be supported  
18 by substantial evidence. Whenever the Director de-  
19 termines that patents or applications for patent  
20 naming different individuals as the inventor interfere  
21 with one another because of a dispute over the right  
22 to patent under section 101, the Director shall insti-  
23 tute a derivation proceeding for the purpose of de-  
24 termining which applicant is entitled to a patent.

1           “(2) DETERMINATION BY PATENT TRIAL AND  
2 APPEAL BOARD.—In any proceeding under this sub-  
3 section, the Patent Trial and Appeal Board—

4           “(A) shall determine the question of the  
5 right to patent;

6           “(B) in appropriate circumstances, may  
7 correct the naming of the inventor in any appli-  
8 cation or patent at issue; and

9           “(C) shall issue a final decision on the  
10 right to patent.

11           “(3) DERIVATION PROCEEDING.—The Board  
12 may defer action on a request to initiate a derivation  
13 proceeding until 3 months after the date on which  
14 the Director issues a patent to the applicant that  
15 filed the earlier application.

16           “(4) EFFECT OF FINAL DECISION.—The final  
17 decision of the Patent Trial and Appeal Board, if  
18 adverse to the claim of an applicant, shall constitute  
19 the final refusal by the United States Patent and  
20 Trademark Office on the claims involved. The Direc-  
21 tor may issue a patent to an applicant who is deter-  
22 mined by the Patent Trial and Appeal Board to have  
23 the right to patent. The final decision of the Board,  
24 if adverse to a patentee, shall, if no appeal or other  
25 review of the decision has been or can be taken or

1 had, constitute cancellation of the claims involved in  
2 the patent, and notice of such cancellation shall be  
3 endorsed on copies of the patent distributed after  
4 such cancellation by the United States Patent and  
5 Trademark Office.

6 “(b) SETTLEMENT.—Parties to a derivation pro-  
7 ceeding may terminate the proceeding by filing a written  
8 statement reflecting the agreement of the parties as to the  
9 correct inventors of the claimed invention in dispute. Un-  
10 less the Patent Trial and Appeal Board finds the agree-  
11 ment to be inconsistent with the evidence of record, it shall  
12 take action consistent with the agreement. Any written  
13 settlement or understanding of the parties shall be filed  
14 with the Director. At the request of a party to the pro-  
15 ceeding, the agreement or understanding shall be treated  
16 as business confidential information, shall be kept sepa-  
17 rate from the file of the involved patents or applications,  
18 and shall be made available only to Government agencies  
19 on written request, or to any person on a showing of good  
20 cause.

21 “(c) ARBITRATION.—Parties to a derivation pro-  
22 ceeding, within such time as may be specified by the Di-  
23 rector by regulation, may determine such contest or any  
24 aspect thereof by arbitration. Such arbitration shall be  
25 governed by the provisions of title 9 to the extent such

1 title is not inconsistent with this section. The parties shall  
2 give notice of any arbitration award to the Director, and  
3 such award shall, as between the parties to the arbitration,  
4 be dispositive of the issues to which it relates. The arbitra-  
5 tion award shall be unenforceable until such notice is  
6 given. Nothing in this subsection shall preclude the Direc-  
7 tor from determining patentability of the invention in-  
8 volved in the derivation proceeding.”.

9 (j) ELIMINATION OF REFERENCES TO INTER-  
10 FERENCES.—(1) Sections 6, 41, 134, 141, 145, 146, 154,  
11 305, and 314 of title 35, United States Code, are each  
12 amended by striking “Board of Patent Appeals and Inter-  
13 ferences” each place it appears and inserting “Patent  
14 Trial and Appeal Board”.

15 (2) Sections 141, 146, and 154 of title 35, United  
16 States Code, are each amended—

17 (A) by striking “an interference” each place it  
18 appears and inserting “a derivation proceeding”;  
19 and

20 (B) by striking “interference” each additional  
21 place it appears and inserting “derivation pro-  
22 ceeding”.

23 (3) The section heading for section 134 of title 35,  
24 United States Code, is amended to read as follows:

1 **“§ 134. Appeal to the Patent Trial and Appeal Board”.**

2 (4) The section heading for section 135 of title 35,  
3 United States Code, is amended to read as follows:

4 **“§ 135. Derivation proceedings”.**

5 (5) The section heading for section 146 of title 35,  
6 United States Code, is amended to read as follows:

7 **“§ 146. Civil action in case of derivation proceeding”.**

8 (6) Section 154(b)(1)(C) of title 35, United States  
9 Code, is amended by striking “INTERFERENCES” and in-  
10 serting “DERIVATION PROCEEDINGS”.

11 (7) The item relating to section 6 in the table of sec-  
12 tions for chapter 1 of title 35, United States Code, is  
13 amended to read as follows:

“6. Patent Trial and Appeal Board.”.

14 (8) The items relating to sections 134 and 135 in  
15 the table of sections for chapter 12 of title 35, United  
16 States Code, are amended to read as follows:

“134. Appeal to the Patent Trial and Appeal Board.

“135. Derivation proceedings.”.

17 (9) The item relating to section 146 in the table of  
18 sections for chapter 13 of title 35, United States Code,  
19 is amended to read as follows:

“146. Civil action in case of derivation proceeding.”.

20 (10) CERTAIN APPEALS.—Section 1295(a)(4)(A) of  
21 title 28, United States Code, is amended to read as fol-  
22 lows:

1           “(A) the Patent Trial and Appeal Board of  
2           the United States Patent and Trademark Office  
3           with respect to patent applications, interference  
4           proceedings (commenced before the date of en-  
5           actment of the Patent Reform Act of 2009),  
6           derivation proceedings, and post-grant review  
7           proceedings, at the instance of an applicant for  
8           a patent or any party to a patent interference  
9           (commenced before the effective date of the  
10          Patent Reform Act of 2009), derivation pro-  
11          ceeding, or post-grant review proceeding, and  
12          any such appeal shall waive any right of such  
13          applicant or party to proceed under section 145  
14          or 146 of title 35;”.

15          (k) SEARCH AND EXAMINATION FUNCTIONS.—Sec-  
16          tion 131 of title 35, United States Code, is amended by—

17                 (1) by striking “The Director shall cause” and  
18                 inserting “(a) IN GENERAL.—The Director shall  
19                 cause”; and

20                 (2) by adding at the end the following:

21                 “(b) SEARCH AND EXAMINATION FUNCTIONS.—To  
22                 the extent consistent with United States obligations under  
23                 international agreements, examination and search duties  
24                 for the grant of a United States patent are sovereign func-  
25                 tions which shall be performed within the United States



1 by United States citizens who are employees of the United  
2 States Government.”.

3 **SEC. 3. INVENTOR’S OATH OR DECLARATION.**

4 (a) INVENTOR’S OATH OR DECLARATION.—

5 (1) IN GENERAL.—Section 115 of title 35,  
6 United States Code, is amended to read as follows:

7 **“§ 115. Inventor’s oath or declaration**

8 “(a) NAMING THE INVENTOR; INVENTOR’S OATH OR  
9 DECLARATION.—An application for patent that is filed  
10 under section 111(a), that commences the national stage  
11 under section 363, or that is filed by an inventor for an  
12 invention for which an application has previously been  
13 filed under this title by that inventor shall include, or be  
14 amended to include, the name of the inventor of any  
15 claimed invention in the application. Except as otherwise  
16 provided in this section, an individual who is the inventor  
17 or a joint inventor of a claimed invention in an application  
18 for patent shall execute an oath or declaration in connec-  
19 tion with the application.

20 “(b) REQUIRED STATEMENTS.—An oath or declara-  
21 tion under subsection (a) shall contain statements that—

22 “(1) the application was made or was author-  
23 ized to be made by the affiant or declarant; and

1           “(2) such individual believes himself or herself  
2           to be the original inventor or an original joint inven-  
3           tor of a claimed invention in the application.

4           “(c) ADDITIONAL REQUIREMENTS.—The Director  
5           may specify additional information relating to the inventor  
6           and the invention that is required to be included in an  
7           oath or declaration under subsection (a).

8           “(d) SUBSTITUTE STATEMENT.—

9           “(1) IN GENERAL.—In lieu of executing an oath  
10          or declaration under subsection (a), the applicant for  
11          patent may provide a substitute statement under the  
12          circumstances described in paragraph (2) and such  
13          additional circumstances that the Director may  
14          specify by regulation.

15          “(2) PERMITTED CIRCUMSTANCES.—A sub-  
16          stitute statement under paragraph (1) is permitted  
17          with respect to any individual who—

18                 “(A) is unable to file the oath or declara-  
19                 tion under subsection (a) because the indi-  
20                 vidual—

21                         “(i) is deceased;

22                         “(ii) is under legal incapacity; or

23                         “(iii) cannot be found or reached after  
24                         diligent effort; or

1           “(B) is under an obligation to assign the  
2           invention but has refused to make the oath or  
3           declaration required under subsection (a).

4           “(3) CONTENTS.—A substitute statement under  
5           this subsection shall—

6                   “(A) identify the individual with respect to  
7                   whom the statement applies;

8                   “(B) set forth the circumstances rep-  
9                   resenting the permitted basis for the filing of  
10                   the substitute statement in lieu of the oath or  
11                   declaration under subsection (a); and

12                   “(C) contain any additional information,  
13                   including any showing, required by the Direc-  
14                   tor.

15           “(e) MAKING REQUIRED STATEMENTS IN ASSIGN-  
16           MENT OF RECORD.—An individual who is under an obliga-  
17           tion of assignment of an application for patent may in-  
18           clude the required statements under subsections (b) and  
19           (c) in the assignment executed by the individual, in lieu  
20           of filing such statements separately.

21           “(f) TIME FOR FILING.—A notice of allowance under  
22           section 151 may be provided to an applicant for patent  
23           only if the applicant for patent has filed each required  
24           oath or declaration under subsection (a) or has filed a sub-

1 stitute statement under subsection (d) or recorded an as-  
2 signment meeting the requirements of subsection (e).

3 “(g) EARLIER-FILED APPLICATION CONTAINING RE-  
4 QUIRED STATEMENTS OR SUBSTITUTE STATEMENT.—

5 The requirements under this section shall not apply to an  
6 individual with respect to an application for patent in  
7 which the individual is named as the inventor or a joint  
8 inventor and that claims the benefit under section 120 or  
9 365(c) of the filing of an earlier-filed application, if—

10 “(1) an oath or declaration meeting the require-  
11 ments of subsection (a) was executed by the indi-  
12 vidual and was filed in connection with the earlier-  
13 filed application;

14 “(2) a substitute statement meeting the re-  
15 quirements of subsection (d) was filed in the earlier  
16 filed application with respect to the individual; or

17 “(3) an assignment meeting the requirements  
18 of subsection (e) was executed with respect to the  
19 earlier-filed application by the individual and was re-  
20 corded in connection with the earlier-filed applica-  
21 tion.

22 “(h) SUPPLEMENTAL AND CORRECTED STATE-  
23 MENTS; FILING ADDITIONAL STATEMENTS.—

24 “(1) IN GENERAL.—Any person making a state-  
25 ment required under this section may withdraw, re-

1 place, or otherwise correct the statement at any  
2 time. If a change is made in the naming of the in-  
3 ventor requiring the filing of 1 or more additional  
4 statements under this section, the Director shall es-  
5 tablish regulations under which such additional  
6 statements may be filed.

7 “(2) SUPPLEMENTAL STATEMENTS NOT RE-  
8 QUIRED.—If an individual has executed an oath or  
9 declaration under subsection (a) or an assignment  
10 meeting the requirements of subsection (e) with re-  
11 spect to an application for patent, the Director may  
12 not thereafter require that individual to make any  
13 additional oath, declaration, or other statement  
14 equivalent to those required by this section in con-  
15 nection with the application for patent or any patent  
16 issuing thereon.

17 “(3) SAVINGS CLAUSE.—No patent shall be in-  
18 valid or unenforceable based upon the failure to  
19 comply with a requirement under this section if the  
20 failure is remedied as provided under paragraph (1).

21 “(i) ACKNOWLEDGMENT OF PENALTIES.—Any dec-  
22 laration or statement filed pursuant to this section shall  
23 contain an acknowledgment that any willful false state-  
24 ment made in such declaration or statement is punishable

1 under section 1001 of title 18 by fine or imprisonment  
2 of not more than 5 years, or both.”.

3 (2) RELATIONSHIP TO DIVISIONAL APPLICA-  
4 TIONS.—Section 121 of title 35, United States Code,  
5 is amended by striking “If a divisional application”  
6 and all that follows through “inventor.”.

7 (3) REQUIREMENTS FOR NONPROVISIONAL AP-  
8 PPLICATIONS.—Section 111(a) of title 35, United  
9 States Code, is amended—

10 (A) in paragraph (2)(C), by striking “by  
11 the applicant” and inserting “or declaration”;

12 (B) in the heading for paragraph (3), by  
13 striking “AND OATH”; and

14 (C) by striking “and oath” each place it  
15 appears.

16 (4) CONFORMING AMENDMENT.—The item re-  
17 lating to section 115 in the table of sections for  
18 chapter 11 of title 35, United States Code, is  
19 amended to read as follows:

“115. Inventor’s oath or declaration.”.

20 (b) FILING BY OTHER THAN INVENTOR.—Section  
21 118 of title 35, United States Code, is amended to read  
22 as follows:

23 **“§ 118. Filing by other than inventor**

24 “A person to whom the inventor has assigned or is  
25 under an obligation to assign the invention may make an

1 application for patent. A person who otherwise shows suf-  
2 ficient proprietary interest in the matter may make an ap-  
3 plication for patent on behalf of and as agent for the in-  
4 ventor on proof of the pertinent facts and a showing that  
5 such action is appropriate to preserve the rights of the  
6 parties. If the Director grants a patent on an application  
7 filed under this section by a person other than the inven-  
8 tor, the patent shall be granted to the real party in inter-  
9 est and upon such notice to the inventor as the Director  
10 considers to be sufficient.”.

11 (c) SPECIFICATION.—Section 112 of title 35, United  
12 States Code, is amended—

13 (1) in the first paragraph—

14 (A) by striking “The specification” and in-  
15 serting “(a) IN GENERAL.—The specification”;  
16 and

17 (B) by striking “of carrying out his inven-  
18 tion” and inserting “or joint inventor of car-  
19 rying out the invention”;

20 (2) in the second paragraph—

21 (A) by striking “The specifications” and  
22 inserting “(b) CONCLUSION.—The specifica-  
23 tions”; and

1 (B) by striking “applicant regards as his  
2 invention” and inserting “inventor or a joint in-  
3 ventor regards as the invention”;

4 (3) in the third paragraph, by striking “A  
5 claim” and inserting “(c) FORM.—A claim”;

6 (4) in the fourth paragraph, by striking “Sub-  
7 ject to the following paragraph,” and inserting “(d)  
8 REFERENCE IN DEPENDENT FORMS.—Subject to  
9 subsection (e),”;

10 (5) in the fifth paragraph, by striking “A  
11 claim” and inserting “(e) REFERENCE IN MULTIPLE  
12 DEPENDENT FORM.—A claim”; and

13 (6) in the last paragraph, by striking “An ele-  
14 ment” and inserting “(f) ELEMENT IN CLAIM FOR  
15 A COMBINATION.—An element”.

16 **SEC. 4. RIGHT OF THE INVENTOR TO OBTAIN DAMAGES.**

17 (a) DAMAGES.—Section 284 of title 35, United  
18 States Code, is amended to read as follows:

19 **“§ 284. Damages**

20 “(a) IN GENERAL.—Upon finding for the claimant  
21 the court shall award the claimant damages adequate to  
22 compensate for the infringement but in no event less than  
23 a reasonable royalty for the use made of the invention by  
24 the infringer, together with interest and costs as fixed by  
25 the court, subject to the provisions of this section.



1       “(b) DETERMINATION OF DAMAGES; EVIDENCE CON-  
2       SIDERED; PROCEDURE.—The court may receive expert  
3       testimony as an aid to the determination of damages or  
4       of what royalty would be reasonable under the cir-  
5       cumstances. The admissibility of such testimony shall be  
6       governed by the rules of evidence governing expert testi-  
7       mony. When the damages are not found by a jury, the  
8       court shall assess them.

9       “(c) STANDARD FOR CALCULATING REASONABLE  
10      ROYALTY.—

11           “(1) IN GENERAL.—The court shall determine,  
12      based on the facts of the case and after adducing  
13      any further evidence the court deems necessary,  
14      which of the following methods shall be used by the  
15      court or the jury in calculating a reasonable royalty  
16      pursuant to subsection (a). The court shall also  
17      identify the factors that are relevant to the deter-  
18      mination of a reasonable royalty, and the court or  
19      jury, as the case may be, shall consider only those  
20      factors in making such determination.

21           “(A) ENTIRE MARKET VALUE.—Upon a  
22      showing to the satisfaction of the court that the  
23      claimed invention’s specific contribution over  
24      the prior art is the predominant basis for mar-  
25      ket demand for an infringing product or proc-

1           ess, damages may be based upon the entire  
2           market value of that infringing product or pro-  
3           cess.

4           “(B) ESTABLISHED ROYALTY BASED ON  
5           MARKETPLACE LICENSING.—Upon a showing to  
6           the satisfaction of the court that the claimed in-  
7           vention has been the subject of a nonexclusive  
8           license for the use made of the invention by the  
9           infringer, to a number of persons sufficient to  
10          indicate a general marketplace recognition of  
11          the reasonableness of the licensing terms, if the  
12          license was secured prior to the filing of the  
13          case before the court, and the court determines  
14          that the infringer’s use is of substantially the  
15          same scope, volume, and benefit of the rights  
16          granted under such license, damages may be  
17          determined on the basis of the terms of such li-  
18          cense. Upon a showing to the satisfaction of the  
19          court that the claimed invention has sufficiently  
20          similar noninfringing substitutes in the relevant  
21          market, which have themselves been the subject  
22          of such nonexclusive licenses, and the court de-  
23          termines that the infringer’s use is of substan-  
24          tially the same scope, volume, and benefit of the  
25          rights granted under such licenses, damages

1           may be determined on the basis of the terms of  
2           such licenses.

3           “(C) VALUATION CALCULATION.—Upon a  
4           determination by the court that the showings  
5           required under subparagraphs (A) and (B) have  
6           not been made, the court shall conduct an anal-  
7           ysis to ensure that a reasonable royalty is ap-  
8           plied only to the portion of the economic value  
9           of the infringing product or process properly at-  
10          tributable to the claimed invention’s specific  
11          contribution over the prior art. In the case of  
12          a combination invention whose elements are  
13          present individually in the prior art, the con-  
14          tribution over the prior art may include the  
15          value of the additional function resulting from  
16          the combination, as well as the enhanced value,  
17          if any, of some or all of the prior art elements  
18          as part of the combination, if the patentee dem-  
19          onstrates that value.

20          “(2) ADDITIONAL FACTORS.—Where the court  
21          determines it to be appropriate in determining a rea-  
22          sonable royalty under paragraph (1), the court may  
23          also consider, or direct the jury to consider, any  
24          other relevant factors under applicable law.

1       “(d) INAPPLICABILITY TO OTHER DAMAGES ANAL-  
2 YSIS.—The methods for calculating a reasonable royalty  
3 described in subsection (c) shall have no application to the  
4 calculation of an award of damages that does not neces-  
5 sitate the determination of a reasonable royalty as a basis  
6 for monetary relief sought by the claimant.

7       “(e) WILLFUL INFRINGEMENT.—

8           “(1) INCREASED DAMAGES.—A court that has  
9 determined that an infringer has willfully infringed  
10 a patent or patents may increase damages up to 3  
11 times the amount of the damages found or assessed  
12 under subsection (a), except that increased damages  
13 under this paragraph shall not apply to provisional  
14 rights under section 154(d).

15           “(2) PERMITTED GROUNDS FOR WILLFUL-  
16 NESS.—A court may find that an infringer has will-  
17 fully infringed a patent only if the patent owner pre-  
18 sents clear and convincing evidence that acting with  
19 objective recklessness—

20           “(A) after receiving written notice from  
21 the patentee—

22           “(i) alleging acts of infringement in a  
23 manner sufficient to give the infringer an  
24 objectively reasonable apprehension of suit  
25 on such patent, and

1           “(ii) identifying with particularity  
2           each claim of the patent, each product or  
3           process that the patent owner alleges in-  
4           fringes the patent, and the relationship of  
5           such product or process to such claim,  
6           the infringer, after a reasonable opportunity to  
7           investigate, thereafter performed 1 or more of  
8           the alleged acts of infringement;

9           “(B) the infringer intentionally copied the  
10          patented invention with knowledge that it was  
11          patented; or

12          “(C) after having been found by a court to  
13          have infringed that patent, the infringer en-  
14          gaged in conduct that was not colorably dif-  
15          ferent from the conduct previously found to  
16          have infringed the patent, and which resulted in  
17          a separate finding of infringement of the same  
18          patent.

19          “(3) LIMITATIONS ON WILLFULNESS.—

20          “(A) IN GENERAL.—A court may not find  
21          that an infringer has willfully infringed a patent  
22          under paragraph (2) for any period of time dur-  
23          ing which the infringer had an informed good  
24          faith belief that the patent was invalid or unen-  
25          forceable, or would not be infringed by the con-

1 duct later shown to constitute infringement of  
2 the patent.

3 “(B) GOOD FAITH ESTABLISHED.—An in-  
4 formed good faith belief within the meaning of  
5 subparagraph (A) may be established by—

6 “(i) reasonable reliance on advice of  
7 counsel;

8 “(ii) evidence that the infringer  
9 sought to modify its conduct to avoid in-  
10 fringement once it had discovered the pat-  
11 ent; or

12 “(iii) other evidence a court may find  
13 sufficient to establish such good faith be-  
14 lief.

15 “(C) RELEVANCE OF NOT PRESENTING  
16 CERTAIN EVIDENCE.—The decision of the in-  
17 fringer not to present evidence of advice of  
18 counsel is not relevant to a determination of  
19 willful infringement under paragraph (2).

20 “(4) LIMITATION ON PLEADING.—Before the  
21 date on which a court determines that the patent in  
22 suit is not invalid, is enforceable, and has been in-  
23 fringed by the infringer, a patentee may not plead  
24 and a court may not determine that an infringer has  
25 willfully infringed a patent. The court’s determina-

1       tion of an infringer’s willfulness shall be made with-  
2       out a jury.”.

3       (b) REPORT TO CONGRESSIONAL COMMITTEES.—

4             (1) IN GENERAL.—Not later than 2 years after  
5       the date of enactment of this Act, the Director shall  
6       report to the Committee on the Judiciary of the  
7       Senate and the Committee on the Judiciary of the  
8       House of Representatives, the findings and rec-  
9       ommendations of the Director on the operation of  
10      prior user rights in selected countries in the indus-  
11      trialized world. The report shall include the fol-  
12      lowing:

13            (A) A comparison between patent laws of  
14            the United States and the laws of other indus-  
15            trialized countries, including the European  
16            Union, Japan, Canada, and Australia.

17            (B) An analysis of the effect of prior user  
18            rights on innovation rates in the selected coun-  
19            tries.

20            (C) An analysis of the correlation, if any,  
21            between prior user rights and start-up enter-  
22            prises and the ability to attract venture capital  
23            to start new companies.

1           (D) An analysis of the effect of prior user  
2 rights, if any, on small businesses, universities,  
3 and individual inventors.

4           (E) An analysis of legal and constitutional  
5 issues, if any, that arise from placing trade se-  
6 cret law in patent law.

7           (2) CONSULTATION WITH OTHER AGENCIES.—  
8 In preparing the report required under paragraph  
9 (1), the Director shall consult with the Secretary of  
10 State and the Attorney General.

11          (c) DEFENSE TO INFRINGEMENT BASED ON EAR-  
12 LIER INVENTOR.—Section 273(b)(6) of title 35, United  
13 States Code, is amended to read as follows:

14           “(6) PERSONAL DEFENSE.—The defense under  
15 this section may be asserted only by the person who  
16 performed or caused the performance of the acts  
17 necessary to establish the defense as well as any  
18 other entity that controls, is controlled by, or is  
19 under common control with such person and, except  
20 for any transfer to the patent owner, the right to as-  
21 sert the defense shall not be licensed or assigned or  
22 transferred to another person except as an ancillary  
23 and subordinate part of a good faith assignment or  
24 transfer for other reasons of the entire enterprise or  
25 line of business to which the defense relates. Not-



1 withstanding the preceding sentence, any person  
2 may, on its own behalf, assert a defense based on  
3 the exhaustion of rights provided under paragraph  
4 (3), including any necessary elements thereof.”.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to any civil action commenced on  
7 or after the date of enactment of this Act.

8 **SEC. 5. POST-GRANT PROCEDURES AND OTHER QUALITY**  
9 **ENHANCEMENTS.**

10 (a) CITATION OF PRIOR ART.—Section 301 of title  
11 35, United States Code, is amended to read as follows:

12 **“§ 301. Citation of prior art**

13 “(a) IN GENERAL.—Any person at any time may cite  
14 to the Office in writing—

15 “(1) prior art consisting of patents, printed  
16 publications, or evidence that the claimed invention  
17 was in public use or sale in the United States more  
18 than 1 year prior to the date of the application for  
19 patent in the United States, which that person be-  
20 lieves to have a bearing on the patentability of any  
21 claim of a particular patent; or

22 “(2) written statements of the patent owner  
23 filed in a proceeding before a Federal court or the  
24 Patent and Trademark Office in which the patent

1 owner takes a position on the scope of one or more  
2 patent claims.

3 “(b) SUBMISSIONS PART OF OFFICIAL FILE.—If the  
4 person citing prior art or written submissions under sub-  
5 section (a) explains in writing the pertinence and manner  
6 of applying the prior art or written submission to at least  
7 one claim of the patent, the citation of the prior art or  
8 documentary evidence (as the case may be) and the expla-  
9 nation thereof shall become a part of the official file of  
10 the patent.

11 “(c) PROCEDURES FOR WRITTEN STATEMENTS.—

12 “(1) SUBMISSION OF ADDITIONAL MATE-  
13 RIALS.—A party that submits written statements  
14 under subsection (a)(2) in a proceeding shall include  
15 any other documents, pleadings, or evidence from  
16 the proceeding that address the patent owner’s  
17 statements or the claims addressed by the written  
18 statements.

19 “(2) LIMITATION ON USE OF STATEMENTS.—

20 Written statements submitted under subsection  
21 (a)(2) shall not be considered for any purpose other  
22 than to determine the proper meaning of the claims  
23 that are the subject of the request in a proceeding  
24 ordered pursuant to section 304 or 313. Any such  
25 written statements, and any materials submitted

1 under paragraph (1), that are subject to an applica-  
2 ble protective order shall be redacted to exclude in-  
3 formation subject to the order.

4 “(d) IDENTITY WITHHELD.—Upon the written re-  
5 quest of the person making the citation under subsection  
6 (a), the person’s identity shall be excluded from the patent  
7 file and kept confidential.”.

8 (b) REQUEST FOR REEXAMINATION.—The first sen-  
9 tence of section 302 of title 35, United States Code, is  
10 amended to read as follows: “Any person at any time may  
11 file a request for reexamination by the Office of any claim  
12 on a patent on the basis of any prior art or documentary  
13 evidence cited under paragraph (1) or (3) of subsection  
14 (a) of section 301 of this title.”.

15 (c) REEXAMINATION.—Section 303(a) of title 35,  
16 United States Code, is amended to read as follows:

17 “(a) Within three months following the filing of a re-  
18 quest for reexamination under section 302, the Director  
19 shall determine whether a substantial new question of pat-  
20 entability affecting any claim of the patent concerned is  
21 raised by the request, with or without consideration of  
22 other patents or printed publications. On the Director’s  
23 own initiative, and at any time, the Director may deter-  
24 mine whether a substantial new question of patentability  
25 is raised by patents, publications, or other evidence discov-

1 ered by the Director, is cited under section 301, or is cited  
2 by any person other than the owner of the patent under  
3 section 302 or section 311. The existence of a substantial  
4 new question of patentability is not precluded by the fact  
5 that a patent, printed publication, or other evidence was  
6 previously considered by the Office.”.

7 (d) REQUEST FOR INTER PARTES REEXAMINA-  
8 TION.—Section 311(a) of title 35, United States Code, is  
9 amended to read as follows:

10 “(a) IN GENERAL.—Any third-party requester at any  
11 time may file a request for inter partes reexamination by  
12 the Office of a patent on the basis of any prior art or  
13 documentary evidence cited under paragraph (1) or (3)  
14 of subsection (a) of section 301 of this title.”.

15 (e) CONDUCT OF INTER PARTES PROCEEDINGS.—  
16 Section 314 of title 35, United States Code, is amended—

17 (1) in the first sentence of subsection (a), by  
18 striking “conducted according to the procedures es-  
19 tablished for initial examination under the provisions  
20 of sections 132 and 133” and inserting “heard by  
21 an administrative patent judge in accordance with  
22 procedures which the Director shall establish”;

23 (2) in subsection (b), by striking paragraph (2)  
24 and inserting the following:

1           “(2) The third-party requester shall have the oppor-  
2 tunity to file written comments on any action on the mer-  
3 its by the Office in the inter partes reexamination pro-  
4 ceeding, and on any response that the patent owner files  
5 to such an action, if those written comments are received  
6 by the Office within 60 days after the date of service on  
7 the third-party requester of the Office action or patent  
8 owner response, as the case may be.”; and

9           (3) by adding at the end the following:

10           “(d) ORAL HEARING.—At the request of a third-  
11 party requestor or the patent owner, the administrative  
12 patent judge shall conduct an oral hearing, unless the  
13 judge finds cause lacking for such hearing.”.

14           (f) ESTOPPEL.—Section 315(c) of title 35, United  
15 States Code, is amended by striking “or could have  
16 raised”.

17           (g) REEXAMINATION PROHIBITED AFTER DISTRICT  
18 COURT DECISION.—Section 317(b) of title 35, United  
19 States Code, is amended—

20           (1) in the subsection heading, by striking  
21 “FINAL DECISION” and inserting “DISTRICT COURT  
22 DECISION”; and

23           (2) by striking “Once a final decision has been  
24 entered” and inserting “Once the judgment of the  
25 district court has been entered”.

1 (h) POST-GRANT OPPOSITION PROCEDURES.—

2 (1) IN GENERAL.—Part III of title 35, United  
3 States Code, is amended by adding at the end the  
4 following new chapter:

5 **“CHAPTER 32—POST-GRANT REVIEW**  
6 **PROCEDURES**

“Sec.

“321. Petition for post-grant review.

“322. Timing and bases of petition.

“323. Requirements of petition.

“324. Prohibited filings.

“325. Submission of additional information; showing of sufficient grounds.

“326. Conduct of post-grant review proceedings.

“327. Patent owner response.

“328. Proof and evidentiary standards.

“329. Amendment of the patent.

“330. Decision of the Board.

“331. Effect of decision.

“332. Settlement.

“333. Relationship to other pending proceedings.

“334. Effect of decisions rendered in civil action on post-grant review proceedings.

“335. Effect of final decision on future proceedings.

“336. Appeal.

7 **“§ 321. Petition for post-grant review**

8 “Subject to sections 322, 324, 332, and 333, a per-  
9 son who is not the patent owner may file with the Office  
10 a petition for cancellation seeking to institute a post-grant  
11 review proceeding to cancel as unpatentable any claim of  
12 a patent on any ground that could be raised under para-  
13 graph (2) or (3) of section 282(b) (relating to invalidity  
14 of the patent or any claim). The Director shall establish,  
15 by regulation, fees to be paid by the person requesting  
16 the proceeding, in such amounts as the Director deter-  
17 mines to be reasonable.

1 **“§ 322. Timing and bases of petition**

2 “A post-grant proceeding may be instituted under  
3 this chapter pursuant to a cancellation petition filed under  
4 section 321 only if—

5 “(1) the petition is filed not later than 12  
6 months after the issuance of the patent or a reissue  
7 patent, as the case may be; or

8 “(2) the patent owner consents in writing to the  
9 proceeding.

10 **“§ 323. Requirements of petition**

11 “A cancellation petition filed under section 321 may  
12 be considered only if—

13 “(1) the petition is accompanied by payment of  
14 the fee established by the Director under section  
15 321;

16 “(2) the petition identifies the cancellation peti-  
17 tioner;

18 “(3) for each claim sought to be canceled, the  
19 petition sets forth in writing the basis for cancella-  
20 tion and provides the evidence in support thereof, in-  
21 cluding copies of patents and printed publications,  
22 or written testimony of a witness attested to under  
23 oath or declaration by the witness, or any other in-  
24 formation that the Director may require by regula-  
25 tion; and

1           “(4) the petitioner provides copies of the peti-  
2           tion, including any evidence submitted with the peti-  
3           tion and any other information submitted under  
4           paragraph (3), to the patent owner or, if applicable,  
5           the designated representative of the patent owner.

6   **“§ 324. Prohibited filings**

7           “A post-grant review proceeding may not be insti-  
8           tuted under section 322 if the petition for cancellation re-  
9           questing the proceeding—

10           “(1) identifies the same cancellation petitioner  
11           and the same patent as a previous petition for can-  
12           cellation filed under such section; or

13           “(2) is based on the best mode requirement  
14           contained in section 112.

15   **“§ 325. Submission of additional information; show-**  
16           **ing of sufficient grounds**

17           “(a) IN GENERAL.—The cancellation petitioner shall  
18           file such additional information with respect to the peti-  
19           tion as the Director may require. For each petition sub-  
20           mitted under section 321, the Director shall determine if  
21           the written statement, and any evidence submitted with  
22           the request, establish that a substantial question of pat-  
23           entability exists for at least one claim in the patent. The  
24           Director may initiate a post-grant review proceeding if the  
25           Director determines that the information presented pro-



1 vides sufficient grounds to believe that there is a substan-  
2 tial question of patentability concerning one or more  
3 claims of the patent at issue.

4 “(b) NOTIFICATION; DETERMINATIONS NOT RE-  
5 VIEWABLE.—The Director shall notify the patent owner  
6 and each petitioner in writing of the Director’s determina-  
7 tion under subsection (a), including a determination to  
8 deny the petition. The Director shall make that determina-  
9 tion in writing not later than 60 days after receiving the  
10 petition. Any determination made by the Director under  
11 subsection (a), including whether or not to institute a  
12 post-grant review proceeding or to deny the petition, shall  
13 not be reviewable.

14 **“§ 326. Conduct of post-grant review proceedings**

15 “(a) IN GENERAL.—The Director shall prescribe reg-  
16 ulations, in accordance with section 2(b)(2)—

17 “(1) establishing and governing post-grant re-  
18 view proceedings under this chapter and their rela-  
19 tionship to other proceedings under this title;

20 “(2) establishing procedures for the submission  
21 of supplemental information after the petition for  
22 cancellation is filed; and

23 “(3) setting forth procedures for discovery of  
24 relevant evidence, including that such discovery shall  
25 be limited to evidence directly related to factual as-

1       sertions advanced by either party in the proceeding,  
2       and the procedures for obtaining such evidence shall  
3       be consistent with the purpose and nature of the  
4       proceeding.

5       In carrying out paragraph (3), the Director shall bear in  
6       mind that discovery must be in the interests of justice.

7       “(b)    POST-GRANT    REGULATIONS.—Regulations  
8       under subsection (a)(1)—

9               “(1) shall require that the final determination  
10       in a post-grant proceeding issue not later than one  
11       year after the date on which the post-grant review  
12       proceeding is instituted under this chapter, except  
13       that, for good cause shown, the Director may extend  
14       the 1-year period by not more than six months;

15              “(2) shall provide for discovery upon order of  
16       the Director;

17              “(3) shall provide for publication of notice in  
18       the Federal Register of the filing of a petition for  
19       post-grant review under this chapter, for publication  
20       of the petition, and documents, orders, and decisions  
21       relating to the petition, on the website of the Patent  
22       and Trademark Office, and for filings under seal ex-  
23       empt from publication requirements;

24              “(4) shall prescribe sanctions for abuse of dis-  
25       covery, abuse of process, or any other improper use

1 of the proceeding, such as to harass or to cause un-  
2 necessary delay or unnecessary increase in the cost  
3 of the proceeding;

4 “(5) may provide for protective orders gov-  
5 erning the exchange and submission of confidential  
6 information; and

7 “(6) shall ensure that any information sub-  
8 mitted by the patent owner in support of any  
9 amendment entered under section 329 is made avail-  
10 able to the public as part of the prosecution history  
11 of the patent.

12 “(c) CONSIDERATIONS.—In prescribing regulations  
13 under this section, the Director shall consider the effect  
14 on the economy, the integrity of the patent system, and  
15 the efficient administration of the Office.

16 “(d) CONDUCT OF PROCEEDING.—The Patent Trial  
17 and Appeal Board shall, in accordance with section 6(b),  
18 conduct each post-grant review proceeding authorized by  
19 the Director.

20 **“§ 327. Patent owner response**

21 “After a post-grant proceeding under this chapter  
22 has been instituted with respect to a patent, the patent  
23 owner shall have the right to file, within a time period  
24 set by the Director, a response to the cancellation petition.  
25 The patent owner shall file with the response, through af-

1 fidavits or declarations, any additional factual evidence  
2 and expert opinions on which the patent owner relies in  
3 support of the response.

4 **“§ 328. Proof and evidentiary standards**

5 “(a) IN GENERAL.—The presumption of validity set  
6 forth in section 282 shall not apply in a challenge to any  
7 patent claim under this chapter.

8 “(b) BURDEN OF PROOF.—The party advancing a  
9 proposition under this chapter shall have the burden of  
10 proving that proposition by a preponderance of the evi-  
11 dence.

12 **“§ 329. Amendment of the patent**

13 “(a) IN GENERAL.—In response to a challenge in a  
14 petition for cancellation, the patent owner may file one  
15 motion to amend the patent in one or more of the fol-  
16 lowing ways:

17 “(1) Cancel any challenged patent claim.

18 “(2) For each challenged claim, propose a sub-  
19 stitute claim.

20 “(3) Amend the patent drawings or otherwise  
21 amend the patent other than the claims.

22 “(b) ADDITIONAL MOTIONS.—Additional motions to  
23 amend may be permitted only for good cause shown.

1           “(c) SCOPE OF CLAIMS.—An amendment under this  
2 section may not enlarge the scope of the claims of the pat-  
3 ent or introduce new matter.

4           **“§ 330. Decision of the Board**

5           “If the post-grant review proceeding is instituted and  
6 not dismissed under this chapter, the Patent Trial and  
7 Appeal Board shall issue a final written decision address-  
8 ing the patentability of any patent claim challenged and  
9 any new claim added under section 329.

10          **“§ 331. Effect of decision**

11          “(a) IN GENERAL.—If the Patent Trial and Appeal  
12 Board issues a final decision under section 330 and the  
13 time for appeal has expired or any appeal proceeding has  
14 terminated, the Director shall issue and publish a certifi-  
15 cate canceling any claim of the patent finally determined  
16 to be unpatentable and incorporating in the patent by op-  
17 eration of the certificate any new claim determined to be  
18 patentable.

19          “(b) NEW CLAIMS.—Any new claim held to be pat-  
20 entable and incorporated into a patent in a post-grant re-  
21 view proceeding shall have the same effect as that speci-  
22 fied in section 252 for reissued patents on the right of  
23 any person who made, purchased, offered to sell, or used  
24 within the United States, or imported into the United  
25 States, anything patented by such new claim, or who made

1 substantial preparations therefor, before a certificate  
2 under subsection (a) of this section is issued.

3 **“§ 332. Settlement**

4       “(a) IN GENERAL.—A post-grant review proceeding  
5 shall be terminated with respect to any petitioner upon  
6 the joint request of the petitioner and the patent owner,  
7 unless the Patent Trial and Appeal Board has issued a  
8 written decision before the request for termination is filed.  
9 If the post-grant review proceeding is terminated with re-  
10 spect to a petitioner under this paragraph, no estoppel  
11 shall apply to that petitioner. If no petitioner remains in  
12 the proceeding, the panel of administrative patent judges  
13 assigned to the proceeding shall terminate the proceeding.

14       “(b) AGREEMENT IN WRITING.—Any agreement or  
15 understanding between the patent owner and a petitioner,  
16 including any collateral agreements referred to in the  
17 agreement or understanding, that is made in connection  
18 with or in contemplation of the termination of a post-grant  
19 review proceeding, must be in writing. A post-grant review  
20 proceeding as between the parties to the agreement or un-  
21 derstanding may not be terminated until a copy of the  
22 agreement or understanding, including any such collateral  
23 agreements, has been filed in the Office. If any party filing  
24 such an agreement or understanding requests, the agree-  
25 ment or understanding shall be kept separate from the

1 file of the post-grant review proceeding, and shall be made  
2 available only to Government agencies on written request,  
3 or to any person on a showing of good cause.

4 **“§ 333. Relationship to other proceedings**

5       “(a) IN GENERAL.—Notwithstanding subsection  
6 135(a), sections 251 and 252, and chapter 30, the Direc-  
7 tor may determine the manner in which any reexamination  
8 proceeding, reissue proceeding, interference proceeding  
9 (commenced with respect to an application for patent filed  
10 before the effective date provided in section 3(k) of the  
11 Patent Reform Act of 2009), derivation proceeding, or  
12 post-grant review proceeding, that is pending during a  
13 post-grant review proceeding, may proceed, including pro-  
14 viding for stay, transfer, consolidation, or termination of  
15 any such proceeding.

16       “(b) STAYS.—The Director may stay a post-grant re-  
17 view proceeding if a pending civil action for infringement  
18 of a patent addresses the same or substantially the same  
19 questions of patentability raised against the patent in a  
20 petition for the post-grant review proceeding.

21       “(c) EFFECT OF COMMENCEMENT OF PRO-  
22 CEEDING.—The commencement of a post-grant review  
23 proceeding—

1           “(1) shall not limit in any way the right of the  
2           patent owner to commence an action for infringe-  
3           ment of the patent; and

4           “(2) shall not be cited as evidence relating to  
5           the validity of any claim of the patent in any pro-  
6           ceeding before a court or the International Trade  
7           Commission concerning the patent.

8   **“§ 334. Effect of decisions rendered in civil action on**  
9                                   **post-grant review proceedings**

10          “If a final decision is entered against a party in a  
11          civil action arising in whole or in part under section 1338  
12          of title 28 establishing that the party has not sustained  
13          its burden of proving the invalidity of any patent claim—

14                 “(1) that party to the civil action and the  
15                 privies of that party may not thereafter request a  
16                 post-grant review proceeding on that patent claim on  
17                 the basis of any grounds, under the provisions of  
18                 section 321, which that party or the privies of that  
19                 party raised or could have raised; and

20                 “(2) the Director may not thereafter maintain  
21                 a post-grant review proceeding that was requested,  
22                 before the final decision was so entered, by that  
23                 party or the privies of that party on the basis of  
24                 such grounds.



1 **“§ 335. Effect of final decision on future proceedings**

2 “If a final decision under section 330 is favorable to  
3 the patentability of any original or new claim of the patent  
4 challenged by the cancellation petitioner, the cancellation  
5 petitioner may not thereafter, based on any ground that  
6 the cancellation petitioner raised during the post-grant re-  
7 view proceeding—

8 “(1) request or pursue a reexamination of such  
9 claim under chapter 31;

10 “(2) request or pursue a derivation proceeding  
11 with respect to such claim;

12 “(3) request or pursue a post-grant review pro-  
13 ceeding under this chapter with respect to such  
14 claim;

15 “(4) assert the invalidity of any such claim in  
16 any civil action arising in whole or in part under sec-  
17 tion 1338 of title 28; or

18 “(5) assert the invalidity of any such claim in  
19 defense to an action brought under section 337 of  
20 the Tariff Act of 1930 (19 U.S.C. 1337).

21 **“§ 336. Appeal**

22 “A party dissatisfied with the final determination of  
23 the Patent Trial and Appeal Board in a post-grant pro-  
24 ceeding under this chapter may appeal the determination  
25 under sections 141 through 144. Any party to the post-

1 grant proceeding shall have the right to be a party to the  
2 appeal.”.

3 (i) CONFORMING AMENDMENT.—The table of chap-  
4 ters for part III of title 35, United States Code, is amend-  
5 ed by adding at the end the following:

**“32. Post-Grant Review Proceedings ..... 321”.**

6 (j) REPEAL.—Section 4607 of the Intellectual Prop-  
7 erty and Communications Omnibus Reform Act of 1999,  
8 as enacted by section 1000(a)(9) of Public Law 106–113,  
9 is repealed.

10 (k) EFFECTIVE DATES.—

11 (1) IN GENERAL.—The amendments and repeal  
12 made by this section shall take effect at the end of  
13 the 1-year period beginning on the date of the enact-  
14 ment of this Act.

15 (2) APPLICABILITY TO EX PARTE AND INTER  
16 PARTES PROCEEDINGS.—Notwithstanding any other  
17 provision of law, sections 301 and 311 through 318  
18 of title 35, United States Code, as amended by this  
19 section, shall apply to any patent that issues before,  
20 on, or after the effective date under paragraph (1)  
21 from an original application filed on any date.

22 (3) APPLICABILITY TO POST-GRANT PRO-  
23 CEEDINGS.—The amendments made by subsections  
24 (h) and (i) shall apply to patents issued on or after  
25 the effective date under paragraph (1).

1 (l) REGULATIONS.—The Under Secretary of Com-  
2 merce for Intellectual Property and Director of the United  
3 States Patent and Trademark Office (in this subsection  
4 referred to as the “Director”) shall, not later than the  
5 date that is 1 year after the date of the enactment of this  
6 Act, issue regulations to carry out chapter 32 of title 35,  
7 United States Code, as added by subsection (h) of this  
8 section.

9 **SEC. 6. DEFINITIONS; PATENT TRIAL AND APPEAL BOARD.**

10 (a) DEFINITIONS.—Section 100 of title 35, United  
11 States Code, (as amended by section 2 of this Act) is fur-  
12 ther amended—

13 (1) in subsection (e), by striking “or inter  
14 partes reexamination under section 311”; and

15 (2) by adding at the end the following:

16 “(k) The term ‘cancellation petitioner’ means the real  
17 party in interest requesting cancellation of any claim of  
18 a patent under chapter 31 of this title and the privies of  
19 the real party in interest.”.

20 (b) PATENT TRIAL AND APPEAL BOARD.—Section 6  
21 of title 35, United States Code, is amended to read as  
22 follows:

23 **“§ 6. Patent Trial and Appeal Board**

24 “(a) ESTABLISHMENT AND COMPOSITION.—There  
25 shall be in the Office a Patent Trial and Appeal Board.

1 The Director, the Deputy Director, the Commissioner for  
2 Patents, the Commissioner for Trademarks, and the ad-  
3 ministrative patent judges shall constitute the Patent  
4 Trial and Appeal Board. The administrative patent judges  
5 shall be persons of competent legal knowledge and sci-  
6 entific ability who are appointed by the Secretary of Com-  
7 merce. Any reference in any Federal law, Executive order,  
8 rule, regulation, or delegation of authority, or any docu-  
9 ment of or pertaining to the Board of Patent Appeals and  
10 Interferences is deemed to refer to the Patent Trial and  
11 Appeal Board.

12 “(b) DUTIES.—The Patent Trial and Appeal Board  
13 shall—

14 “(1) on written appeal of an applicant, review  
15 adverse decisions of examiners upon application for  
16 patents;

17 “(2) on written appeal of a patent owner, re-  
18 view adverse decisions of examiners upon patents in  
19 reexamination proceedings under chapter 30;

20 “(3) conduct derivation proceedings under sub-  
21 section 135(a); and

22 “(4) conduct post-grant opposition proceedings  
23 under chapter 32.

24 Each appeal and derivation proceeding shall be heard by  
25 at least 3 members of the Patent Trial and Appeal Board,

1 who shall be designated by the Director. Only the Patent  
2 Trial and Appeal Board may grant rehearings. The Direc-  
3 tor shall assign each post-grant review proceeding to a  
4 panel of 3 administrative patent judges. Once assigned,  
5 each such panel of administrative patent judges shall have  
6 the responsibilities under chapter 32 in connection with  
7 post-grant review proceedings.”.

8 **SEC. 7. PREISSUANCE SUBMISSIONS BY THIRD PARTIES.**

9 Section 122 of title 35, United States Code, is  
10 amended by adding at the end the following:

11 “(e) PREISSUANCE SUBMISSIONS BY THIRD PAR-  
12 TIES.—

13 “(1) IN GENERAL.—Any person may submit for  
14 consideration and inclusion in the record of a patent  
15 application, any patent, published patent application,  
16 or other publication of potential relevance to the ex-  
17 amination of the application, if such submission is  
18 made in writing before the earlier of—

19 “(A) the date a notice of allowance under  
20 section 151 is mailed in the application for pat-  
21 ent; or

22 “(B) either—

23 “(i) 6 months after the date on which  
24 the application for patent is published  
25 under section 122, or

1           “(ii) the date of the first rejection  
2           under section 132 of any claim by the ex-  
3           aminer during the examination of the ap-  
4           plication for patent,  
5           whichever occurs later.

6           “(2) OTHER REQUIREMENTS.—Any submission  
7           under paragraph (1) shall—

8           “(A) set forth a concise description of the  
9           asserted relevance of each submitted document;

10           “(B) be accompanied by such fee as the  
11           Director may prescribe; and

12           “(C) include a statement by the person  
13           making such submission affirming that the sub-  
14           mission was made in compliance with this sec-  
15           tion.”.

16 **SEC. 8. VENUE AND JURISDICTION.**

17           (a) VENUE FOR PATENT CASES.—Section 1400 of  
18           title 28, United States Code, is amended by striking sub-  
19           section (b) and inserting the following:

20           “(b) Notwithstanding section 1391 of this title, in  
21           any civil action arising under any Act of Congress relating  
22           to patents, a party shall not manufacture venue by assign-  
23           ment, incorporation, or otherwise to invoke the venue of  
24           a specific district court.

1       “(c) Notwithstanding section 1391 of this title, any  
2 civil action for patent infringement or any action for de-  
3 claratory judgment may be brought only in a judicial dis-  
4 trict—

5               “(1) where the defendant has its principal place  
6 of business or in the location or place in which the  
7 defendant is incorporated or formed, or, for foreign  
8 corporations with a United States subsidiary, where  
9 the defendant’s primary United States subsidiary  
10 has its principal place of business or is incorporated  
11 or formed;

12               “(2) where the defendant has committed sub-  
13 stantial acts of infringement and has a regular and  
14 established physical facility that the defendant con-  
15 trols and that constitutes a substantial portion of  
16 the operations of the defendant;

17               “(3) where the primary plaintiff resides, if the  
18 primary plaintiff in the action is—

19                       “(A) an institution of higher education as  
20 defined under section 101(a) of the Higher  
21 Education Act of 1965 (20 U.S.C. 1001(a)); or

22                       “(B) a nonprofit organization that—

23                               “(i) qualifies for treatment under sec-  
24 tion 501(c)(3) of the Internal Revenue  
25 Code (26 U.S.C. 501(c)(3));

1                   “(ii) is exempt from taxation under  
2                   section 501(a) of such Code; and

3                   “(iii) serves as the patent and licens-  
4                   ing organization for an institution of high-  
5                   er education as defined under section  
6                   101(a) of the Higher Education Act of  
7                   1965 (20 U.S.C. 1001(a)); or

8                   “(4) where the plaintiff resides, if the sole  
9                   plaintiff in the action is an individual inventor who  
10                  is a natural person and who qualifies at the time  
11                  such action is filed as a micro-entity pursuant to  
12                  section 123 of title 35.

13                  “(d) If a plaintiff brings a civil action for patent in-  
14                  fringement or declaratory judgment relief under sub-  
15                  section (c), then the defendant may request the district  
16                  court to transfer that action to another district or division  
17                  where, in the court’s determination—

18                         “(1) any of the parties has substantial evidence  
19                         or witnesses that otherwise would present consider-  
20                         able evidentiary burdens to the defendant if such  
21                         transfer were not granted;

22                         “(2) such transfer would not cause undue hard-  
23                         ship to the plaintiff; and

24                         “(3) venue would be otherwise appropriate  
25                         under section 1391 of this title.”.



1 (b) INTERLOCUTORY APPEALS.—Subsection (c)(2) of  
2 section 1292 of title 28, United States Code, is amended  
3 by adding at the end the following:

4 “(3) of an appeal from an interlocutory order  
5 or decree determining construction of claims in a  
6 civil action for patent infringement under section  
7 271 of title 35.

8 Application for an appeal under paragraph (3) shall  
9 be made to the court within 10 days after entry of  
10 the order or decree. The district court shall have dis-  
11 cretion whether to approve the application and, if so,  
12 whether to stay proceedings in the district court dur-  
13 ing the pendency of such appeal.”.

14 (c) TECHNICAL AMENDMENTS RELATING TO  
15 VENUE.—Sections 32, 145, 146, 154(b)(4)(A), and 293  
16 of title 35, United States Code, and section 21(b)(4) of  
17 the Act entitled “An Act to provide for the registration  
18 and protection of trademarks used in commerce, to carry  
19 out the provisions of certain international conventions,  
20 and for other purposes”, approved July 5, 1946 (com-  
21 monly referred to as the “Trademark Act of 1946” or the  
22 “Lanham Act”; 15 U.S.C. 1071(b)(4)), are each amended  
23 by striking “United States District Court for the District  
24 of Columbia” each place that term appears and inserting

1 “United States District Court for the Eastern District of  
2 Virginia”.

3 **SEC. 9. PATENT AND TRADEMARK OFFICE REGULATORY**  
4 **AUTHORITY.**

5 (a) FEE SETTING.—

6 (1) IN GENERAL.—The Director shall have au-  
7 thority to set or adjust by rule any fee established  
8 or charged by the Office under sections 41 and 376  
9 of title 35, United States Code or under section 31  
10 of the Trademark Act of 1946 (15 U.S.C. 1113) for  
11 the filing or processing of any submission to, and for  
12 all other services performed by or materials fur-  
13 nished by, the Office, provided that such fee  
14 amounts are set to reasonably compensate the Office  
15 for the services performed.

16 (2) REDUCTION OF FEES IN CERTAIN FISCAL  
17 YEARS.—In any fiscal year, the Director—

18 (A) shall consult with the Patent Public  
19 Advisory Committee and the Trademark Public  
20 Advisory Committee on the advisability of re-  
21 ducing any fees described in paragraph (1); and

22 (B) after that consultation may reduce  
23 such fees.

24 (3) ROLE OF THE PUBLIC ADVISORY COM-  
25 MITTEE.—The Director shall—

1 (A) submit to the Patent or Trademark  
2 Public Advisory Committee, or both, as appro-  
3 priate, any proposed fee under paragraph (1)  
4 not less than 45 days before publishing any  
5 proposed fee in the Federal Register;

6 (B) provide the relevant advisory com-  
7 mittee described in subparagraph (A) a 30-day  
8 period following the submission of any proposed  
9 fee, on which to deliberate, consider, and com-  
10 ment on such proposal, and require that—

11 (i) during such 30-day period, the rel-  
12 evant advisory committee hold a public  
13 hearing related to such proposal; and

14 (ii) the Director shall assist the rel-  
15 evant advisory committee in carrying out  
16 such public hearing, including by offering  
17 the use of Office resources to notify and  
18 promote the hearing to the public and in-  
19 terested stakeholders;

20 (C) require the relevant advisory com-  
21 mittee to make available to the public a written  
22 report detailing the comments, advice, and rec-  
23 ommendations of the committee regarding any  
24 proposed fee;

1 (D) consider and analyze any comments,  
2 advice, or recommendations received from the  
3 relevant advisory committee before setting or  
4 adjusting any fee; and

5 (E) notify, through the Chair and Ranking  
6 Member of the Senate and House Judiciary  
7 Committees, the Congress of any final decision  
8 regarding proposed fees.

9 (4) PUBLICATION IN THE FEDERAL REG-  
10 ISTER.—

11 (A) IN GENERAL.—Any rules prescribed  
12 under this subsection shall be published in the  
13 Federal Register.

14 (B) RATIONALE.—Any proposal for a  
15 change in fees under this section shall—

16 (i) be published in the Federal Reg-  
17 ister; and

18 (ii) include, in such publication, the  
19 specific rationale and purpose for the pro-  
20 posal, including the possible expectations  
21 or benefits resulting from the proposed  
22 change.

23 (C) PUBLIC COMMENT PERIOD.—Following  
24 the publication of any proposed fee in the Fed-  
25 eral Register pursuant to subparagraph (A), the

1 Director shall seek public comment for a period  
2 of not less than 45 days.

3 (5) CONGRESSIONAL COMMENT PERIOD.—Fol-  
4 lowing the notification described in paragraph  
5 (3)(E), Congress shall have not more than 45 days  
6 to consider and comment on any proposed fee under  
7 paragraph (1). No proposed fee shall be effective  
8 prior to the end of such 45-day comment period.

9 (6) RULE OF CONSTRUCTION.—No rules pre-  
10 scribed under this subsection may diminish—

11 (A) an applicant’s rights under this title or  
12 the Trademark Act of 1946; or

13 (B) any rights under a ratified treaty.

14 (b) FEES FOR PATENT SERVICES.—Division B of  
15 Public Law 108–447 is amended in title VIII of the De-  
16 partments of Commerce, Justice and State, the Judiciary,  
17 and Related Agencies Appropriations Act, 2005, in section  
18 801(a) by striking “During fiscal years 2005, 2006 and  
19 2007”, and inserting “Until such time as the Director sets  
20 or adjusts the fees otherwise,”.

21 (c) ADJUSTMENT OF TRADEMARK FEES.—Division  
22 B of Public Law 108–447 is amended in title VIII of the  
23 Departments of Commerce, Justice and State, the Judici-  
24 ary and Related Agencies Appropriations Act, 2005, in  
25 section 802(a) by striking “During fiscal years 2005,

1 2006 and 2007”, and inserting “Until such time as the  
2 Director sets or adjusts the fees otherwise,”.

3 (d) EFFECTIVE DATE, APPLICABILITY, AND TRANSI-  
4 TIONAL PROVISION.—Division B of Public Law 108–447  
5 is amended in title VIII of the Departments of Commerce,  
6 Justice and State, the Judiciary and Related Agencies Ap-  
7 propriations Act, 2005, in section 803(a) by striking “and  
8 shall apply only with respect to the remaining portion of  
9 fiscal year 2005, 2006 and 2007.”.

10 (e) RULE OF CONSTRUCTION.—Nothing in this sec-  
11 tion shall be construed to affect any other provision of Di-  
12 vision B of Public Law 108–447, including section 801(c)  
13 of title VII of the Departments of Commerce, Justice and  
14 State, the Judiciary and Related Agencies Appropriations  
15 Act, 2005.

16 (f) DEFINITIONS.—In this section:

17 (1) DIRECTOR.—The term “Director” means  
18 the Director of the United States Patent and Trade-  
19 mark Office.

20 (2) OFFICE.—The term “Office” means the  
21 United States Patent and Trademark Office.

22 (3) TRADEMARK ACT OF 1946.—The term  
23 “Trademark Act of 1946” means an Act entitled  
24 “Act to provide for the registration and protection  
25 of trademarks used in commerce, to carry out the

1 provisions of certain international conventions, and  
2 for other purposes”, approved July 5, 1946 (15  
3 U.S.C. 1051 et seq.) (commonly referred to as the  
4 Trademark Act of 1946 or the Lanham Act).

5 **SEC. 10. RESIDENCY OF FEDERAL CIRCUIT JUDGES.**

6 (a) RESIDENCY.—The second sentence of section  
7 44(c) of title 28, United States Code, is repealed.

8 (b) FACILITIES.—Section 44 of title 28, United  
9 States Code, is amended by adding at the end the fol-  
10 lowing:

11 “(e)(1) The Director of the Administrative Office of  
12 the United States Courts shall provide—

13 “(A) a judge of the Federal judicial circuit who  
14 lives within 50 miles of the District of Columbia  
15 with appropriate facilities and administrative sup-  
16 port services in the District of the District of Colum-  
17 bia; and

18 “(B) a judge of the Federal judicial circuit who  
19 does not live within 50 miles of the District of Co-  
20 lumbia with appropriate facilities and administrative  
21 support services—

22 “(i) in the district and division in which  
23 that judge resides; or

24 “(ii) if appropriate facilities are not avail-  
25 able in the district and division in which that

1 judge resides, in the district and division closest  
2 to the residence of that judge in which such fa-  
3 cilities are available, as determined by the Di-  
4 rector.

5 “(2) Nothing in this subsection may be construed to  
6 authorize or require the construction of new facilities.”.

7 **SEC. 11. MICRO-ENTITY DEFINED.**

8 Chapter 11 of title 35, United States Code, is amend-  
9 ed by adding at the end the following new section:

10 **“§ 123. Micro-entity defined**

11 “(a) IN GENERAL.—For purposes of this title, the  
12 term ‘micro-entity’ means an applicant who makes a cer-  
13 tification under either subsections (b) or (c).

14 “(b) UNASSIGNED APPLICATION.—For an unas-  
15 signed application, each applicant shall certify that the ap-  
16 plicant—

17 “(1) qualifies as a small entity, as defined in  
18 regulations issued by the Director;

19 “(2) has not been named on 5 or more pre-  
20 viously filed patent applications;

21 “(3) has not assigned, granted, or conveyed,  
22 and is not under an obligation by contract or law to  
23 assign, grant, or convey, a license or any other own-  
24 ership interest in the particular application; and



1           “(4) does not have a gross income, as defined  
2           in section 61(a) of the Internal Revenue Code (26  
3           U.S.C. 61(a)), exceeding 2.5 times the average gross  
4           income, as reported by the Department of Labor, in  
5           the calendar year immediately preceding the cal-  
6           endar year in which the examination fee is being  
7           paid.

8           “(c) ASSIGNED APPLICATION.—For an assigned ap-  
9           plication, each applicant shall certify that the applicant—

10           “(1) qualifies as a small entity, as defined in  
11           regulations issued by the Director, and meets the re-  
12           quirements of subsection (b)(4);

13           “(2) has not been named on 5 or more pre-  
14           viously filed patent applications; and

15           “(3) has assigned, granted, conveyed, or is  
16           under an obligation by contract or law to assign,  
17           grant, or convey, a license or other ownership inter-  
18           est in the particular application to an entity that has  
19           5 or fewer employees and that such entity has a  
20           gross income, as defined in section 61(a) of the In-  
21           ternal Revenue Code (26 U.S.C. 61(a)), that does  
22           not exceed 2.5 times the average gross income, as  
23           reported by the Department of Labor, in the cal-  
24           endar year immediately preceding the calendar year  
25           in which the examination fee is being paid.

1       “(d) INCOME LEVEL ADJUSTMENT.—The gross in-  
2 come levels established under subsections (b) and (c) shall  
3 be adjusted by the Director on October 1, 2009, and every  
4 year thereafter, to reflect any fluctuations occurring dur-  
5 ing the previous 12 months in the Consumer Price Index,  
6 as determined by the Secretary of Labor.”.

7 **SEC. 12. TECHNICAL AMENDMENTS.**

8       (a) JOINT INVENTIONS.—Section 116 of title 35,  
9 United States Code, is amended—

10               (1) in the first paragraph, by striking  
11               “When” and inserting “(a) JOINT INVEN-  
12               TIONS.—When”;

13               (2) in the second paragraph, by striking  
14               “If a joint inventor” and inserting “(b) OMIT-  
15               TED INVENTOR.—If a joint inventor”; and

16               (3) in the third paragraph, by striking  
17               “Whenever” and inserting “(c) CORRECTION OF  
18               ERRORS IN APPLICATION.—Whenever”.

19       (b) FILING OF APPLICATION IN FOREIGN COUN-  
20 TRY.—Section 184 of title 35, United States Code, is  
21 amended—

22               (1) in the first paragraph, by striking “Except  
23               when” and inserting “(a) FILING IN FOREIGN  
24               COUNTRY.—Except when”;

1           (2) in the second paragraph, by striking “The  
2 term” and inserting “(b) APPLICATION.—The  
3 term”; and

4           (3) in the third paragraph, by striking “The  
5 scope” and inserting “(c) SUBSEQUENT MODIFICA-  
6 TIONS, AMENDMENTS, AND SUPPLEMENTS.—The  
7 scope”.

8           (c) REISSUE OF DEFECTIVE PATENTS.—Section 251  
9 of title 35, United States Code, is amended—

10           (1) in the first paragraph, by striking “When-  
11 ever” and inserting “(a) IN GENERAL.—Whenever”;

12           (2) in the second paragraph, by striking “The  
13 Director” and inserting “(b) MULTIPLE REISSUED  
14 PATENTS.—The Director”;

15           (3) in the third paragraph, by striking “The  
16 provision” and inserting “(c) APPLICABILITY OF  
17 THIS TITLE.—The provisions”; and

18           (4) in the last paragraph, by striking “No re-  
19 issued patent” and inserting “(d) REISSUE PATENT  
20 ENLARGING SCOPE OF CLAIMS.—No reissued pat-  
21 ent”.

22           (d) EFFECT OF REISSUE.—Section 253 of title 35,  
23 United States Code, is amended—

1           (1) in the first paragraph, by striking “When-  
2           ever” and inserting “(a) IN GENERAL.—Whenever”;  
3           and

4           (2) in the second paragraph, by striking “in  
5           like manner” and inserting “(b) ADDITIONAL DIS-  
6           CLAIMER OR DEDICATION.—In the manner set forth  
7           in subsection (a),”.

8           (e) CORRECTION OF NAMED INVENTOR.—Section  
9           256 of title 35, United States Code, is amended—

10           (1) in the first paragraph, by striking “When-  
11           ever” and inserting “(a) CORRECTION.—Whenever”;  
12           and

13           (2) in the second paragraph, by striking “The  
14           error” and inserting “(b) PATENT VALID IF ERROR  
15           CORRECTED.—The error”.

16           (f) PRESUMPTION OF VALIDITY.—Section 282 of title  
17           35, United States Code, is amended—

18           (1) in the first undesignated paragraph, by  
19           striking “A patent” and inserting “(a) IN GEN-  
20           ERAL.—A patent”;

21           (2) in the second undesignated paragraph, by  
22           striking “The following” and inserting “(b) DE-  
23           FENSES.—The following”; and

24           (3) in the third undesignated paragraph, by  
25           striking “In actions” and inserting “(c) NOTICE OF

1       ACTIONS; ACTIONS DURING EXTENSION OF PATENT  
2       TERM.—In actions”.

3   **SEC. 13. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

4       (a) EFFECTIVE DATE.—Except as otherwise provided  
5 in this Act, the provisions of this Act shall take effect 12  
6 months after the date of the enactment of this Act and  
7 shall apply to any patent issued on or after that effective  
8 date.

9       (b) CONTINUITY OF INTENT UNDER THE CREATE  
10 ACT.—The enactment of section 102(b)(3) of title 35,  
11 United States Code, under section (2)(b) of this Act is  
12 done with the same intent to promote joint research activi-  
13 ties that was expressed, including in the legislative history,  
14 through the enactment of the Cooperative Research and  
15 Technology Enhancement Act of 2004 (Public Law 108–  
16 453; the “CREATE Act”), the amendments of which are  
17 stricken by section 2(c) of this Act. The United States  
18 Patent and Trademark Office shall administer section  
19 102(b)(3) of title 35, United States Code, in a manner  
20 consistent with the legislative history of the CREATE Act  
21 that was relevant to its administration by the United  
22 States Patent and Trademark Office.

23   **SEC. 14. SEVERABILITY.**

24       If any provision of this Act or of any amendment or  
25 repeals made by this Act, or the application of such a pro-

1 vision to any person or circumstance, is held to be invalid  
2 or unenforceable, the remainder of this Act and the  
3 amendments and repeals made by this Act, and the appli-  
4 cation of this Act and such amendments and repeals to  
5 any other person or circumstance, shall not be affected  
6 by such holding.

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