

113TH CONGRESS
1ST SESSION

H. R. 3309

AN ACT

To amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes.

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Innovation Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Patent infringement actions.
- Sec. 4. Transparency of patent ownership.
- Sec. 5. Customer-suit exception.
- Sec. 6. Procedures and practices to implement recommendations of the Judicial
Conference.
- Sec. 7. Small business education, outreach, and information access.
- Sec. 8. Studies on patent transactions, quality, and examination.
- Sec. 9. Improvements and technical corrections to the Leahy-Smith America In-
vents Act.
- Sec. 10. Effective date.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) DIRECTOR.—The term “Director” means
9 the Under Secretary of Commerce for Intellectual
10 Property and Director of the United States Patent
11 and Trademark Office.

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

14 **SEC. 3. PATENT INFRINGEMENT ACTIONS.**

15 (a) PLEADING REQUIREMENTS.—

16 (1) AMENDMENT.—Chapter 29 of title 35,
17 United States Code, is amended by inserting after
18 section 281 the following:

1 **“§ 281A. Pleading requirements for patent infringe-**
2 **ment actions**

3 “(a) PLEADING REQUIREMENTS.—Except as pro-
4 vided in subsection (b), in a civil action in which a party
5 asserts a claim for relief arising under any Act of Con-
6 gress relating to patents, a party alleging infringement
7 shall include in the initial complaint, counterclaim, or
8 cross-claim for patent infringement, unless the informa-
9 tion is not reasonably accessible to such party, the fol-
10 lowing:

11 “(1) An identification of each patent allegedly
12 infringed.

13 “(2) An identification of each claim of each pat-
14 ent identified under paragraph (1) that is allegedly
15 infringed.

16 “(3) For each claim identified under paragraph
17 (2), an identification of each accused process, ma-
18 chine, manufacture, or composition of matter (re-
19 ferred to in this section as an ‘accused instrumen-
20 tality’) alleged to infringe the claim.

21 “(4) For each accused instrumentality identi-
22 fied under paragraph (3), an identification with par-
23 ticularity, if known, of—

24 “(A) the name or model number of each
25 accused instrumentality; or

1 “(B) if there is no name or model number,
2 a description of each accused instrumentality.

3 “(5) For each accused instrumentality identi-
4 fied under paragraph (3), a clear and concise state-
5 ment of—

6 “(A) where each element of each claim
7 identified under paragraph (2) is found within
8 the accused instrumentality; and

9 “(B) with detailed specificity, how each
10 limitation of each claim identified under para-
11 graph (2) is met by the accused instrumen-
12 tality.

13 “(6) For each claim of indirect infringement, a
14 description of the acts of the alleged indirect in-
15 fringer that contribute to or are inducing the direct
16 infringement.

17 “(7) A description of the authority of the party
18 alleging infringement to assert each patent identified
19 under paragraph (1) and of the grounds for the
20 court’s jurisdiction.

21 “(8) A clear and concise description of the prin-
22 cipal business, if any, of the party alleging infringe-
23 ment.

24 “(9) A list of each complaint filed, of which the
25 party alleging infringement has knowledge, that as-

1 serts or asserted any of the patents identified under
2 paragraph (1).

3 “(10) For each patent identified under para-
4 graph (1), whether a standard-setting body has spe-
5 cifically declared such patent to be essential, poten-
6 tially essential, or having potential to become essen-
7 tial to that standard-setting body, and whether the
8 United States Government or a foreign government
9 has imposed specific licensing requirements with re-
10 spect to such patent.

11 “(b) INFORMATION NOT READILY ACCESSIBLE.—If
12 information required to be disclosed under subsection (a)
13 is not readily accessible to a party, that information may
14 instead be generally described, along with an explanation
15 of why such undisclosed information was not readily acces-
16 sible, and of any efforts made by such party to access such
17 information.

18 “(c) CONFIDENTIAL INFORMATION.—A party re-
19 quired to disclose information described under subsection
20 (a) may file, under seal, information believed to be con-
21 fidential, with a motion setting forth good cause for such
22 sealing. If such motion is denied by the court, the party
23 may seek to file an amended complaint.

1 “(d) EXEMPTION.—A civil action that includes a
2 claim for relief arising under section 271(e)(2) shall not
3 be subject to the requirements of subsection (a).”.

4 (2) CONFORMING AMENDMENT.—The table of
5 sections for chapter 29 of title 35, United States
6 Code, is amended by inserting after the item relating
7 to section 281 the following new item:

“281A. Pleading requirements for patent infringement actions.”.

8 (b) FEES AND OTHER EXPENSES.—

9 (1) AMENDMENT.—Section 285 of title 35,
10 United States Code, is amended to read as follows:

11 **“§ 285. Fees and other expenses**

12 “(a) AWARD.—The court shall award, to a prevailing
13 party, reasonable fees and other expenses incurred by that
14 party in connection with a civil action in which any party
15 asserts a claim for relief arising under any Act of Con-
16 gress relating to patents, unless the court finds that the
17 position and conduct of the nonprevailing party or parties
18 were reasonably justified in law and fact or that special
19 circumstances (such as severe economic hardship to a
20 named inventor) make an award unjust.

21 “(b) CERTIFICATION AND RECOVERY.—Upon motion
22 of any party to the action, the court shall require another
23 party to the action to certify whether or not the other
24 party will be able to pay an award of fees and other ex-
25 penses if such an award is made under subsection (a). If

1 a nonprevailing party is unable to pay an award that is
2 made against it under subsection (a), the court may make
3 a party that has been joined under section 299(d) with
4 respect to such party liable for the unsatisfied portion of
5 the award.

6 “(c) COVENANT NOT TO SUE.—A party to a civil ac-
7 tion that asserts a claim for relief arising under any Act
8 of Congress relating to patents against another party, and
9 that subsequently unilaterally extends to such other party
10 a covenant not to sue for infringement with respect to the
11 patent or patents at issue, shall be deemed to be a nonpre-
12 vailing party (and the other party the prevailing party)
13 for purposes of this section, unless the party asserting
14 such claim would have been entitled, at the time that such
15 covenant was extended, to voluntarily dismiss the action
16 or claim without a court order under Rule 41 of the Fed-
17 eral Rules of Civil Procedure.”.

18 (2) CONFORMING AMENDMENT AND AMEND-
19 MENT.—

20 (A) CONFORMING AMENDMENT.—The item
21 relating to section 285 of the table of sections
22 for chapter 29 of title 35, United States Code,
23 is amended to read as follows:

“285. Fees and other expenses.”.

1 (B) AMENDMENT.—Section 273 of title
2 35, United States Code, is amended by striking
3 subsections (f) and (g).

4 (3) EFFECTIVE DATE.—The amendments made
5 by this subsection shall take effect on the date of the
6 enactment of this Act and shall apply to any action
7 for which a complaint is filed on or after the first
8 day of the 6-month period ending on that effective
9 date.

10 (c) JOINDER OF INTERESTED PARTIES.—Section
11 299 of title 35, United States Code, is amended by adding
12 at the end the following new subsection:

13 “(d) JOINDER OF INTERESTED PARTIES.—

14 “(1) JOINDER.—In a civil action arising under
15 any Act of Congress relating to patents in which
16 fees and other expenses have been awarded under
17 section 285 to a prevailing party defending against
18 an allegation of infringement of a patent claim, and
19 in which the nonprevailing party alleging infringe-
20 ment is unable to pay the award of fees and other
21 expenses, the court shall grant a motion by the pre-
22 vailing party to join an interested party if such pre-
23 vailing party shows that the nonprevailing party has
24 no substantial interest in the subject matter at issue
25 other than asserting such patent claim in litigation.

1 “(2) LIMITATION ON JOINDER.—

2 “(A) DISCRETIONARY DENIAL OF MO-
3 TION.—The court may deny a motion to join an
4 interested party under paragraph (1) if—

5 “(i) the interested party is not subject
6 to service of process; or

7 “(ii) joinder under paragraph (1)
8 would deprive the court of subject matter
9 jurisdiction or make venue improper.

10 “(B) REQUIRED DENIAL OF MOTION.—The
11 court shall deny a motion to join an interested
12 party under paragraph (1) if—

13 “(i) the interested party did not time-
14 ly receive the notice required by paragraph
15 (3); or

16 “(ii) within 30 days after receiving
17 the notice required by paragraph (3), the
18 interested party renounces, in writing and
19 with notice to the court and the parties to
20 the action, any ownership, right, or direct
21 financial interest (as described in para-
22 graph (4)) that the interested party has in
23 the patent or patents at issue.

24 “(3) NOTICE REQUIREMENT.—An interested
25 party may not be joined under paragraph (1) unless

1 it has been provided actual notice, within 30 days
2 after the date on which it has been identified in the
3 initial disclosure provided under section 290(b), that
4 it has been so identified and that such party may
5 therefore be an interested party subject to joinder
6 under this subsection. Such notice shall be provided
7 by the party who subsequently moves to join the in-
8 terested party under paragraph (1), and shall in-
9 clude language that—

10 “(A) identifies the action, the parties
11 thereto, the patent or patents at issue, and the
12 pleading or other paper that identified the
13 party under section 290(b); and

14 “(B) informs the party that it may be
15 joined in the action and made subject to paying
16 an award of fees and other expenses under sec-
17 tion 285(b) if—

18 “(i) fees and other expenses are
19 awarded in the action against the party al-
20 leging infringement of the patent or pat-
21 ents at issue under section 285(a);

22 “(ii) the party alleging infringement is
23 unable to pay the award of fees and other
24 expenses;

1 “(iii) the party receiving notice under
2 this paragraph is determined by the court
3 to be an interested party; and

4 “(iv) the party receiving notice under
5 this paragraph has not, within 30 days
6 after receiving such notice, renounced in
7 writing, and with notice to the court and
8 the parties to the action, any ownership,
9 right, or direct financial interest (as de-
10 scribed in paragraph (4)) that the inter-
11 ested party has in the patent or patents at
12 issue.

13 “(4) INTERESTED PARTY DEFINED.—In this
14 subsection, the term ‘interested party’ means a per-
15 son, other than the party alleging infringement,
16 that—

17 “(A) is an assignee of the patent or pat-
18 ents at issue;

19 “(B) has a right, including a contingent
20 right, to enforce or sublicense the patent or pat-
21 ents at issue; or

22 “(C) has a direct financial interest in the
23 patent or patents at issue, including the right
24 to any part of an award of damages or any part

1 of licensing revenue, except that a person with
2 a direct financial interest does not include—

3 “(i) an attorney or law firm providing
4 legal representation in the civil action de-
5 scribed in paragraph (1) if the sole basis
6 for the financial interest of the attorney or
7 law firm in the patent or patents at issue
8 arises from the attorney or law firm’s re-
9 ceipt of compensation reasonably related to
10 the provision of the legal representation; or

11 “(ii) a person whose sole financial in-
12 terest in the patent or patents at issue is
13 ownership of an equity interest in the
14 party alleging infringement, unless such
15 person also has the right or ability to influ-
16 ence, direct, or control the civil action.”.

17 (d) DISCOVERY LIMITS.—

18 (1) AMENDMENT.—Chapter 29 of title 35,
19 United States Code, is amended by adding at the
20 end the following new section:

21 **“§ 299A. Discovery in patent infringement action**

22 “(a) DISCOVERY IN PATENT INFRINGEMENT AC-
23 TION.—Except as provided in subsections (b) and (c), in
24 a civil action arising under any Act of Congress relating
25 to patents, if the court determines that a ruling relating

1 to the construction of terms used in a patent claim as-
2 serted in the complaint is required, discovery shall be lim-
3 ited, until such ruling is issued, to information necessary
4 for the court to determine the meaning of the terms used
5 in the patent claim, including any interpretation of those
6 terms used to support the claim of infringement.

7 “(b) DISCRETION TO EXPAND SCOPE OF DIS-
8 COVERY.—

9 “(1) TIMELY RESOLUTION OF ACTIONS.—In the
10 case of an action under any provision of Federal law
11 (including an action that includes a claim for relief
12 arising under section 271(e)), for which resolution
13 within a specified period of time of a civil action
14 arising under any Act of Congress relating to pat-
15 ents will necessarily affect the rights of a party with
16 respect to the patent, the court shall permit dis-
17 covery, in addition to the discovery authorized under
18 subsection (a), before the ruling described in sub-
19 section (a) is issued as necessary to ensure timely
20 resolution of the action.

21 “(2) RESOLUTION OF MOTIONS.—When nec-
22 essary to resolve a motion properly raised by a party
23 before a ruling relating to the construction of terms
24 described in subsection (a) is issued, the court may
25 allow limited discovery in addition to the discovery

1 authorized under subsection (a) as necessary to re-
2 solve the motion.

3 “(3) SPECIAL CIRCUMSTANCES.—In special cir-
4 cumstances that would make denial of discovery a
5 manifest injustice, the court may permit discovery,
6 in addition to the discovery authorized under sub-
7 section (a), as necessary to prevent the manifest in-
8 justice.

9 “(4) ACTIONS SEEKING RELIEF BASED ON COM-
10 PETITIVE HARM.—The limitation on discovery pro-
11 vided under subsection (a) shall not apply to an ac-
12 tion seeking a preliminary injunction to redress
13 harm arising from the use, sale, or offer for sale of
14 any allegedly infringing instrumentality that com-
15 petes with a product sold or offered for sale, or a
16 process used in manufacture, by a party alleging in-
17 fringement.

18 “(c) EXCLUSION FROM DISCOVERY LIMITATION.—
19 The parties may voluntarily consent to be excluded, in
20 whole or in part, from the limitation on discovery provided
21 under subsection (a) if at least one plaintiff and one de-
22 fendant enter into a signed stipulation, to be filed with
23 and signed by the court. With regard to any discovery ex-
24 cluded from the requirements of subsection (a) under the
25 signed stipulation, with respect to such parties, such dis-

1 covery shall proceed according to the Federal Rules of
2 Civil Procedure.”.

3 (2) CONFORMING AMENDMENT.—The table of
4 sections for chapter 29 of title 35, United States
5 Code, is amended by adding at the end the following
6 new item:

“299A. Discovery in patent infringement action.”.

7 (e) SENSE OF CONGRESS.—It is the sense of Con-
8 gress that it is an abuse of the patent system and against
9 public policy for a party to send out purposely evasive de-
10 mand letters to end users alleging patent infringement.
11 Demand letters sent should, at the least, include basic in-
12 formation about the patent in question, what is being in-
13 fringed, and how it is being infringed. Any actions or liti-
14 gation that stem from these types of purposely evasive de-
15 mand letters to end users should be considered a fraudu-
16 lent or deceptive practice and an exceptional circumstance
17 when considering whether the litigation is abusive.

18 (f) DEMAND LETTERS.—Section 284 of title 35,
19 United States Code, is amended—

20 (1) in the first undesignated paragraph, by
21 striking “Upon finding” and inserting “(a) IN GEN-
22 ERAL.—Upon finding”;

23 (2) in the second undesignated paragraph, by
24 striking “When the damages” and inserting “(b) AS-

1 ASSESSMENT BY COURT; TREBLE DAMAGES.—When
2 the damages”;

3 (3) by inserting after subsection (b), as des-
4 ignated by paragraph (2) of this subsection, the fol-
5 lowing:

6 “(c) WILLFUL INFRINGEMENT.—A claimant seeking
7 to establish willful infringement may not rely on evidence
8 of pre-suit notification of infringement unless that notifi-
9 cation identifies with particularity the asserted patent,
10 identifies the product or process accused, identifies the ul-
11 timate parent entity of the claimant, and explains with
12 particularity, to the extent possible following a reasonable
13 investigation or inquiry, how the product or process in-
14 fringes one or more claims of the patent.”; and

15 (4) in the last undesignated paragraph, by
16 striking “The court” and inserting “(d) EXPERT
17 TESTIMONY.—The court”.

18 (g) EFFECTIVE DATE.—Except as otherwise provided
19 in this section, the amendments made by this section shall
20 take effect on the date of the enactment of this Act and
21 shall apply to any action for which a complaint is filed
22 on or after that date.

23 **SEC. 4. TRANSPARENCY OF PATENT OWNERSHIP.**

24 (a) AMENDMENTS.—Section 290 of title 35, United
25 States Code, is amended—

1 (1) in the heading, by striking “**suits**” and in-
2 serting “**suits; disclosure of interests**”;

3 (2) by striking “The clerks” and inserting “(a)
4 NOTICE OF PATENT SUITS.—The clerks”; and

5 (3) by adding at the end the following new sub-
6 sections:

7 “(b) INITIAL DISCLOSURE.—

8 “(1) IN GENERAL.—Except as provided in para-
9 graph (2), upon the filing of an initial complaint for
10 patent infringement, the plaintiff shall disclose to
11 the Patent and Trademark Office, the court, and
12 each adverse party the identity of each of the fol-
13 lowing:

14 “(A) The assignee of the patent or patents
15 at issue.

16 “(B) Any entity with a right to sublicense
17 or enforce the patent or patents at issue.

18 “(C) Any entity, other than the plaintiff,
19 that the plaintiff knows to have a financial in-
20 terest in the patent or patents at issue or the
21 plaintiff.

22 “(D) The ultimate parent entity of any as-
23 signee identified under subparagraph (A) and
24 any entity identified under subparagraph (B) or
25 (C).

1 “(2) EXEMPTION.—The requirements of para-
2 graph (1) shall not apply with respect to a civil ac-
3 tion filed under subsection (a) that includes a cause
4 of action described under section 271(e)(2).

5 “(c) DISCLOSURE COMPLIANCE.—

6 “(1) PUBLICLY TRADED.—For purposes of sub-
7 section (b)(1)(C), if the financial interest is held by
8 a corporation traded on a public stock exchange, an
9 identification of the name of the corporation and the
10 public exchange listing shall satisfy the disclosure re-
11 quirement.

12 “(2) NOT PUBLICLY TRADED.—For purposes of
13 subsection (b)(1)(C), if the financial interest is not
14 held by a publicly traded corporation, the disclosure
15 shall satisfy the disclosure requirement if the infor-
16 mation identifies—

17 “(A) in the case of a partnership, the
18 name of the partnership and the name and cor-
19 respondence address of each partner or other
20 entity that holds more than a 5-percent share
21 of that partnership;

22 “(B) in the case of a corporation, the
23 name of the corporation, the location of incor-
24 poration, the address of the principal place of

1 business, and the name of each officer of the
2 corporation; and

3 “(C) for each individual, the name and
4 correspondence address of that individual.

5 “(d) ONGOING DUTY OF DISCLOSURE TO THE PAT-
6 ENT AND TRADEMARK OFFICE.—

7 “(1) IN GENERAL.—A plaintiff required to sub-
8 mit information under subsection (b) or a subse-
9 quent owner of the patent or patents at issue shall,
10 not later than 90 days after any change in the as-
11 signee of the patent or patents at issue or an entity
12 described under subparagraph (B) or (D) of sub-
13 section (b)(1), submit to the Patent and Trademark
14 Office the updated identification of such assignee or
15 entity.

16 “(2) FAILURE TO COMPLY.—With respect to a
17 patent for which the requirement of paragraph (1)
18 has not been met—

19 “(A) the plaintiff or subsequent owner
20 shall not be entitled to recover reasonable fees
21 and other expenses under section 285 or in-
22 creased damages under section 284 with respect
23 to infringing activities taking place during any
24 period of noncompliance with paragraph (1),

1 unless the denial of such damages or fees would
2 be manifestly unjust; and

3 “(B) the court shall award to a prevailing
4 party accused of infringement reasonable fees
5 and other expenses under section 285 that are
6 incurred to discover the updated assignee or en-
7 tity described under paragraph (1), unless such
8 sanctions would be unjust.

9 “(e) DEFINITIONS.—In this section:

10 “(1) FINANCIAL INTEREST.—The term ‘finan-
11 cial interest’—

12 “(A) means—

13 “(i) with regard to a patent or pat-
14 ents, the right of a person to receive pro-
15 ceeds related to the assertion of the patent
16 or patents, including a fixed or variable
17 portion of such proceeds; and

18 “(ii) with regard to the plaintiff, di-
19 rect or indirect ownership or control by a
20 person of more than 5 percent of such
21 plaintiff; and

22 “(B) does not mean—

23 “(i) ownership of shares or other in-
24 terests in a mutual or common investment
25 fund, unless the owner of such interest

1 participates in the management of such
2 fund; or

3 “(ii) the proprietary interest of a pol-
4 icyholder in a mutual insurance company
5 or of a depositor in a mutual savings asso-
6 ciation, or a similar proprietary interest,
7 unless the outcome of the proceeding could
8 substantially affect the value of such inter-
9 est.

10 “(2) PROCEEDING.—The term ‘proceeding’
11 means all stages of a civil action, including pretrial
12 and trial proceedings and appellate review.

13 “(3) ULTIMATE PARENT ENTITY.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), the term ‘ultimate parent
16 entity’ has the meaning given such term in sec-
17 tion 801.1(a)(3) of title 16, Code of Federal
18 Regulations, or any successor regulation.

19 “(B) MODIFICATION OF DEFINITION.—The
20 Director may modify the definition of ‘ultimate
21 parent entity’ by regulation.”.

22 (b) TECHNICAL AND CONFORMING AMENDMENT.—
23 The item relating to section 290 in the table of sections
24 for chapter 29 of title 35, United States Code, is amended
25 to read as follows:

 “290. Notice of patent suits; disclosure of interests.”.

1 (c) REGULATIONS.—The Director may promulgate
2 such regulations as are necessary to establish a registra-
3 tion fee in an amount sufficient to recover the estimated
4 costs of administering subsections (b) through (e) of sec-
5 tion 290 of title 35, United States Code, as added by sub-
6 section (a), to facilitate the collection and maintenance of
7 the information required by such subsections, and to en-
8 sure the timely disclosure of such information to the pub-
9 lic.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect upon the expiration of the
12 6-month period beginning on the date of the enactment
13 of this Act and shall apply to any action for which a com-
14 plaint is filed on or after such effective date.

15 **SEC. 5. CUSTOMER-SUIT EXCEPTION.**

16 (a) AMENDMENT.—Section 296 of title 35, United
17 States Code, is amended to read as follows:

18 **“§ 296. Stay of action against customer**

19 “(a) STAY OF ACTION AGAINST CUSTOMER.—Except
20 as provided in subsection (d), in any civil action arising
21 under any Act of Congress relating to patents, the court
22 shall grant a motion to stay at least the portion of the
23 action against a covered customer related to infringement
24 of a patent involving a covered product or process if the
25 following requirements are met:

1 “(1) The covered manufacturer and the covered
2 customer consent in writing to the stay.

3 “(2) The covered manufacturer is a party to
4 the action or to a separate action involving the same
5 patent or patents related to the same covered prod-
6 uct or process.

7 “(3) The covered customer agrees to be bound
8 by any issues that the covered customer has in com-
9 mon with the covered manufacturer and are finally
10 decided as to the covered manufacturer in an action
11 described in paragraph (2).

12 “(4) The motion is filed after the first pleading
13 in the action but not later than the later of—

14 “(A) the 120th day after the date on which
15 the first pleading in the action is served that
16 specifically identifies the covered product or
17 process as a basis for the covered customer’s al-
18 leged infringement of the patent and that spe-
19 cifically identifies how the covered product or
20 process is alleged to infringe the patent; or

21 “(B) the date on which the first scheduling
22 order in the case is entered.

23 “(b) APPLICABILITY OF STAY.—A stay issued under
24 subsection (a) shall apply only to the patents, products,

1 systems, or components accused of infringement in the ac-
2 tion.

3 “(c) LIFT OF STAY.—

4 “(1) IN GENERAL.—A stay entered under this
5 section may be lifted upon grant of a motion based
6 on a showing that—

7 “(A) the action involving the covered man-
8 ufacturer will not resolve a major issue in suit
9 against the covered customer; or

10 “(B) the stay unreasonably prejudices and
11 would be manifestly unjust to the party seeking
12 to lift the stay.

13 “(2) SEPARATE MANUFACTURER ACTION IN-
14 VOLVED.—In the case of a stay entered based on the
15 participation of the covered manufacturer in a sepa-
16 rate action involving the same patent or patents re-
17 lated to the same covered product or process, a mo-
18 tion under this subsection may only be made if the
19 court in such separate action determines the show-
20 ing required under paragraph (1) has been met.

21 “(d) EXEMPTION.—This section shall not apply to an
22 action that includes a cause of action described under sec-
23 tion 271(e)(2).

24 “(e) CONSENT JUDGMENT.—If, following the grant
25 of a motion to stay under this section, the covered manu-

1 factorer seeks or consents to entry of a consent judgment
2 relating to one or more of the common issues that gave
3 rise to the stay, or declines to prosecute through appeal
4 a final decision as to one or more of the common issues
5 that gave rise to the stay, the court may, upon grant of
6 a motion, determine that such consent judgment or
7 unappealed final decision shall not be binding on the cov-
8 ered customer with respect to one or more of such common
9 issues based on a showing that such an outcome would
10 unreasonably prejudice and be manifestly unjust to the
11 covered customer in light of the circumstances of the case.

12 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion shall be construed to limit the ability of a court to
14 grant any stay, expand any stay granted under this sec-
15 tion, or grant any motion to intervene, if otherwise per-
16 mitted by law.

17 “(g) DEFINITIONS.—In this section:

18 “(1) COVERED CUSTOMER.—The term ‘covered
19 customer’ means a party accused of infringing a pat-
20 ent or patents in dispute based on a covered product
21 or process.

22 “(2) COVERED MANUFACTURER.—The term
23 ‘covered manufacturer’ means a person that manu-
24 factures or supplies, or causes the manufacture or

1 supply of, a covered product or process or a relevant
2 part thereof.

3 “(3) COVERED PRODUCT OR PROCESS.—The
4 term ‘covered product or process’ means a product,
5 process, system, service, component, material, or ap-
6 paratus, or relevant part thereof, that—

7 “(A) is alleged to infringe the patent or
8 patents in dispute; or

9 “(B) implements a process alleged to in-
10 fringe the patent or patents in dispute.”.

11 (b) CONFORMING AMENDMENT.—The table of sec-
12 tions for chapter 29 of title 35, United States Code, is
13 amended by striking the item relating to section 296 and
14 inserting the following:

“296. Stay of action against customer.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on the date of the enactment
17 of this Act and shall apply to any action for which a com-
18 plaint is filed on or after the first day of the 30-day period
19 that ends on that date.

20 **SEC. 6. PROCEDURES AND PRACTICES TO IMPLEMENT REC-**
21 **COMMENDATIONS OF THE JUDICIAL CON-**
22 **FERENCE.**

23 (a) JUDICIAL CONFERENCE RULES AND PROCE-
24 DURES ON DISCOVERY BURDENS AND COSTS.—

1 (1) RULES AND PROCEDURES.—The Judicial
2 Conference of the United States, using existing re-
3 sources, shall develop rules and procedures to imple-
4 ment the issues and proposals described in para-
5 graph (2) to address the asymmetries in discovery
6 burdens and costs in any civil action arising under
7 any Act of Congress relating to patents. Such rules
8 and procedures shall include how and when payment
9 for document discovery in addition to the discovery
10 of core documentary evidence is to occur, and what
11 information must be presented to demonstrate finan-
12 cial capacity before permitting document discovery
13 in addition to the discovery of core documentary evi-
14 dence.

15 (2) RULES AND PROCEDURES TO BE CONSID-
16 ERED.—The rules and procedures required under
17 paragraph (1) should address each of the following
18 issues and proposals:

19 (A) DISCOVERY OF CORE DOCUMENTARY
20 EVIDENCE.—Whether and to what extent each
21 party to the action is entitled to receive core
22 documentary evidence and shall be responsible
23 for the costs of producing core documentary
24 evidence within the possession or control of
25 each such party, and whether and to what ex-

1 tent each party to the action may seek non-
2 documentary discovery as otherwise provided in
3 the Federal Rules of Civil Procedure.

4 (B) ELECTRONIC COMMUNICATION.—If the
5 parties determine that the discovery of elec-
6 tronic communication is appropriate, whether
7 such discovery shall occur after the parties have
8 exchanged initial disclosures and core documen-
9 tary evidence and whether such discovery shall
10 be in accordance with the following:

11 (i) Any request for the production of
12 electronic communication shall be specific
13 and may not be a general request for the
14 production of information relating to a
15 product or business.

16 (ii) Each request shall identify the
17 custodian of the information requested, the
18 search terms, and a time frame. The par-
19 ties shall cooperate to identify the proper
20 custodians, the proper search terms, and
21 the proper time frame.

22 (iii) A party may not submit produc-
23 tion requests to more than 5 custodians,
24 unless the parties jointly agree to modify

1 the number of production requests without
2 leave of the court.

3 (iv) The court may consider contested
4 requests for up to 5 additional custodians
5 per producing party, upon a showing of a
6 distinct need based on the size, complexity,
7 and issues of the case.

8 (v) If a party requests the discovery
9 of electronic communication for additional
10 custodians beyond the limits agreed to by
11 the parties or granted by the court, the re-
12 questing party shall bear all reasonable
13 costs caused by such additional discovery.

14 (C) ADDITIONAL DOCUMENT DISCOVERY.—

15 Whether the following should apply:

16 (i) IN GENERAL.—Each party to the
17 action may seek any additional document
18 discovery otherwise permitted under the
19 Federal Rules of Civil Procedure, if such
20 party bears the reasonable costs, including
21 reasonable attorney's fees, of the additional
22 document discovery.

23 (ii) REQUIREMENTS FOR ADDITIONAL
24 DOCUMENT DISCOVERY.—Unless the par-
25 ties mutually agree otherwise, no party

1 may be permitted additional document dis-
2 covery unless such a party posts a bond, or
3 provides other security, in an amount suffi-
4 cient to cover the expected costs of such
5 additional document discovery, or makes a
6 showing to the court that such party has
7 the financial capacity to pay the costs of
8 such additional document discovery.

9 (iii) LIMITS ON ADDITIONAL DOCU-
10 MENT DISCOVERY.—A court, upon motion,
11 may determine that a request for addi-
12 tional document discovery is excessive, ir-
13 relevant, or otherwise abusive and may set
14 limits on such additional document dis-
15 covery.

16 (iv) GOOD CAUSE MODIFICATION.—A
17 court, upon motion and for good cause
18 shown, may modify the requirements of
19 subparagraphs (A) and (B) and any defini-
20 tion under paragraph (3). Not later than
21 30 days after the pretrial conference under
22 Rule 16 of the Federal Rules of Civil Pro-
23 cedure, the parties shall jointly submit any
24 proposed modifications of the requirements
25 of subparagraphs (A) and (B) and any def-

1 initiation under paragraph (3), unless the
2 parties do not agree, in which case each
3 party shall submit any proposed modifica-
4 tion of such party and a summary of the
5 disagreement over the modification.

6 (v) COMPUTER CODE.—A court, upon
7 motion and for good cause shown, may de-
8 termine that computer code should be in-
9 cluded in the discovery of core documen-
10 tary evidence. The discovery of computer
11 code shall occur after the parties have ex-
12 changed initial disclosures and other core
13 documentary evidence.

14 (D) DISCOVERY SEQUENCE AND SCOPE.—
15 Whether the parties shall discuss and address
16 in the written report filed pursuant to Rule
17 26(f) of the Federal Rules of Civil Procedure
18 the views and proposals of each party on the
19 following:

20 (i) When the discovery of core docu-
21 mentary evidence should be completed.

22 (ii) Whether additional document dis-
23 covery will be sought under subparagraph
24 (C).

1 (iii) Any issues about infringement,
2 invalidity, or damages that, if resolved be-
3 fore the additional discovery described in
4 subparagraph (C) commences, might sim-
5 plify or streamline the case, including the
6 identification of any terms or phrases re-
7 lating to any patent claim at issue to be
8 construed by the court and whether the
9 early construction of any of those terms or
10 phrases would be helpful.

11 (3) DEFINITIONS.—In this subsection:

12 (A) CORE DOCUMENTARY EVIDENCE.—The
13 term “core documentary evidence”—

14 (i) includes—

15 (I) documents relating to the
16 conception of, reduction to practice of,
17 and application for, the patent or pat-
18 ents at issue;

19 (II) documents sufficient to show
20 the technical operation of the product
21 or process identified in the complaint
22 as infringing the patent or patents at
23 issue;

24 (III) documents relating to po-
25 tentially invalidating prior art;

1 (IV) documents relating to any
2 licensing of, or other transfer of rights
3 to, the patent or patents at issue be-
4 fore the date on which the complaint
5 is filed;

6 (V) documents sufficient to show
7 profit attributable to the claimed in-
8 vention of the patent or patents at
9 issue;

10 (VI) documents relating to any
11 knowledge by the accused infringer of
12 the patent or patents at issue before
13 the date on which the complaint is
14 filed;

15 (VII) documents relating to any
16 knowledge by the patentee of infringe-
17 ment of the patent or patents at issue
18 before the date on which the com-
19 plaint is filed;

20 (VIII) documents relating to any
21 licensing term or pricing commitment
22 to which the patent or patents may be
23 subject through any agency or stand-
24 ard-setting body; and

1 (IX) documents sufficient to
2 show any marking or other notice pro-
3 vided of the patent or patents at
4 issue; and

5 (ii) does not include computer code,
6 except as specified in paragraph (2)(C)(v).

7 (B) ELECTRONIC COMMUNICATION.—The
8 term “electronic communication” means any
9 form of electronic communication, including
10 email, text message, or instant message.

11 (4) IMPLEMENTATION BY THE DISTRICT
12 COURTS.—Not later than 6 months after the date on
13 which the Judicial Conference has developed the
14 rules and procedures required by this subsection,
15 each United States district court and the United
16 States Court of Federal Claims shall revise the ap-
17 plicable local rules for such court to implement such
18 rules and procedures.

19 (5) AUTHORITY FOR JUDICIAL CONFERENCE TO
20 REVIEW AND MODIFY.—

21 (A) STUDY OF EFFICACY OF RULES AND
22 PROCEDURES.—The Judicial Conference shall
23 study the efficacy of the rules and procedures
24 required by this subsection during the 4-year
25 period beginning on the date on which such

1 rules and procedures by the district courts and
2 the United States Court of Federal Claims are
3 first implemented. The Judicial Conference may
4 modify such rules and procedures following
5 such 4-year period.

6 (B) INITIAL MODIFICATIONS.—Before the
7 expiration of the 4-year period described in sub-
8 paragraph (A), the Judicial Conference may
9 modify the requirements under this sub-
10 section—

11 (i) by designating categories of “core
12 documentary evidence”, in addition to
13 those designated under paragraph (3)(A),
14 as the Judicial Conference determines to
15 be appropriate and necessary; and

16 (ii) as otherwise necessary to prevent
17 a manifest injustice, the imposition of a re-
18 quirement the costs of which clearly out-
19 weigh its benefits, or a result that could
20 not reasonably have been intended by the
21 Congress.

22 (b) JUDICIAL CONFERENCE PATENT CASE MANAGE-
23 MENT.—The Judicial Conference of the United States,
24 using existing resources, shall develop case management
25 procedures to be implemented by the United States dis-

1 triet courts and the United States Court of Federal Claims
2 for any civil action arising under any Act of Congress re-
3 lating to patents, including initial disclosure and early case
4 management conference practices that—

5 (1) will identify any potential dispositive issues
6 of the case; and

7 (2) focus on early summary judgment motions
8 when resolution of issues may lead to expedited dis-
9 position of the case.

10 (c) REVISION OF FORM FOR PATENT INFRINGE-
11 MENT.—

12 (1) ELIMINATION OF FORM.—The Supreme
13 Court, using existing resources, shall eliminate Form
14 18 in the Appendix to the Federal Rules of Civil
15 Procedure (relating to Complaint for Patent In-
16 fringement), effective on the date of the enactment
17 of this Act.

18 (2) REVISED FORM.—The Supreme Court may
19 prescribe a new form or forms setting out model al-
20 legations of patent infringement that, at a minimum,
21 notify accused infringers of the asserted claim or
22 claims, the products or services accused of infringe-
23 ment, and the plaintiff's theory for how each ac-
24 cused product or service meets each limitation of
25 each asserted claim. The Judicial Conference should

1 exercise the authority under section 2073 of title 28,
2 United States Code, to make recommendations with
3 respect to such new form or forms.

4 (d) PROTECTION OF INTELLECTUAL-PROPERTY LI-
5 CENSES IN BANKRUPTCY.—

6 (1) IN GENERAL.—Section 1522 of title 11,
7 United States Code, is amended by adding at the
8 end the following:

9 “(e) Section 365(n) shall apply to cases under this
10 chapter. If the foreign representative rejects or repudiates
11 a contract under which the debtor is a licensor of intellec-
12 tual property, the licensee under such contract shall be
13 entitled to make the election and exercise the rights de-
14 scribed in section 365(n).”.

15 (2) TRADEMARKS.—

16 (A) IN GENERAL.—Section 101(35A) of
17 title 11, United States Code, is amended—

18 (i) in subparagraph (E), by striking

19 “or”;

20 (ii) in subparagraph (F), by striking

21 “title 17;” and inserting “title 17; or”; and

22 (iii) by adding after subparagraph (F)

23 the following new subparagraph:

24 “(G) a trademark, service mark, or trade

25 name, as those terms are defined in section 45

1 of the Act of July 5, 1946 (commonly referred
2 to as the ‘Trademark Act of 1946’) (15 U.S.C.
3 1127);”.

4 (B) CONFORMING AMENDMENT.—Section
5 365(n)(2) of title 11, United States Code, is
6 amended—

7 (i) in subparagraph (B)—

8 (I) by striking “royalty pay-
9 ments” and inserting “royalty or
10 other payments”; and

11 (II) by striking “and” after the
12 semicolon;

13 (ii) in subparagraph (C), by striking
14 the period at the end of clause (ii) and in-
15 sserting “; and”; and

16 (iii) by adding at the end the fol-
17 lowing new subparagraph:

18 “(D) in the case of a trademark, service mark,
19 or trade name, the trustee shall not be relieved of
20 a contractual obligation to monitor and control the
21 quality of a licensed product or service.”.

22 (3) EFFECTIVE DATE.—The amendments made
23 by this subsection shall take effect on the date of the
24 enactment of this Act and shall apply to any case

1 that is pending on, or for which a petition or com-
2 plaint is filed on or after, such date of enactment.

3 **SEC. 7. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-**
4 **FORMATION ACCESS.**

5 (a) SMALL BUSINESS EDUCATION AND OUT-
6 REACH.—

7 (1) RESOURCES FOR SMALL BUSINESS.—Using
8 existing resources, the Director shall develop edu-
9 cational resources for small businesses to address
10 concerns arising from patent infringement.

11 (2) SMALL BUSINESS PATENT OUTREACH.—The
12 existing small business patent outreach programs of
13 the Office, and the relevant offices at the Small
14 Business Administration and the Minority Business
15 Development Agency, shall provide education and
16 awareness on abusive patent litigation practices. The
17 Director may give special consideration to the
18 unique needs of small firms owned by disabled vet-
19 erans, service-disabled veterans, women, and minor-
20 ity entrepreneurs in planning and executing the out-
21 reach efforts by the Office.

22 (b) IMPROVING INFORMATION TRANSPARENCY FOR
23 SMALL BUSINESS AND THE UNITED STATES PATENT AND
24 TRADEMARK OFFICE USERS.—

1 (1) WEB SITE.—Using existing resources, the
2 Director shall create a user-friendly section on the
3 official Web site of the Office to notify the public
4 when a patent case is brought in Federal court and,
5 with respect to each patent at issue in such case, the
6 Director shall include—

7 (A) information disclosed under sub-
8 sections (b) and (d) of section 290 of title 35,
9 United States Code, as added by section 4(a) of
10 this Act; and

11 (B) any other information the Director de-
12 termines to be relevant.

13 (2) FORMAT.—In order to promote accessibility
14 for the public, the information described in para-
15 graph (1) shall be searchable by patent number, pat-
16 ent art area, and entity.

17 **SEC. 8. STUDIES ON PATENT TRANSACTIONS, QUALITY,**
18 **AND EXAMINATION.**

19 (a) STUDY ON SECONDARY MARKET OVERSIGHT FOR
20 PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY
21 AND ETHICAL BUSINESS PRACTICES.—

22 (1) STUDY REQUIRED.—The Director, in con-
23 sultation with the Secretary of Commerce, the Sec-
24 retary of the Treasury, the Chairman of the Securi-
25 ties and Exchange Commission, the heads of other

1 relevant agencies, and interested parties, shall, using
2 existing resources of the Office, conduct a study—

3 (A) to develop legislative recommendations
4 to ensure greater transparency and account-
5 ability in patent transactions occurring on the
6 secondary market;

7 (B) to examine the economic impact that
8 the patent secondary market has on the United
9 States;

10 (C) to examine licensing and other over-
11 sight requirements that may be placed on the
12 patent secondary market, including on the par-
13 ticipants in such markets, to ensure that the
14 market is a level playing field and that brokers
15 in the market have the requisite expertise and
16 adhere to ethical business practices; and

17 (D) to examine the requirements placed on
18 other markets.

19 (2) REPORT ON STUDY.—Not later than 18
20 months after the date of the enactment of this Act,
21 the Director shall submit a report to the Committee
22 on the Judiciary of the House of Representatives
23 and the Committee on the Judiciary of the Senate
24 on the findings and recommendations of the Director
25 from the study required under paragraph (1).

1 (b) STUDY ON PATENTS OWNED BY THE UNITED
2 STATES GOVERNMENT.—

3 (1) STUDY REQUIRED.—The Director, in con-
4 sultation with the heads of relevant agencies and in-
5 terested parties, shall, using existing resources of the
6 Office, conduct a study on patents owned by the
7 United States Government that—

8 (A) examines how such patents are li-
9 censed and sold, and any litigation relating to
10 the licensing or sale of such patents;

11 (B) provides legislative and administrative
12 recommendations on whether there should be
13 restrictions placed on patents acquired from the
14 United States Government;

15 (C) examines whether or not each relevant
16 agency maintains adequate records on the pat-
17 ents owned by such agency, specifically whether
18 such agency addresses licensing, assignment,
19 and Government grants for technology related
20 to such patents; and

21 (D) provides recommendations to ensure
22 that each relevant agency has an adequate
23 point of contact that is responsible for man-
24 aging the patent portfolio of the agency.

1 (2) REPORT ON STUDY.—Not later than 1 year
2 after the date of the enactment of this Act, the Di-
3 rector shall submit to the Committee on the Judici-
4 ary of the House of Representatives and the Com-
5 mittee on the Judiciary of the Senate a report on
6 the findings and recommendations of the Director
7 from the study required under paragraph (1).

8 (c) STUDY ON PATENT QUALITY AND ACCESS TO
9 THE BEST INFORMATION DURING EXAMINATION.—

10 (1) GAO STUDY.—The Comptroller General of
11 the United States shall, using existing resources,
12 conduct a study on patent examination at the Office
13 and the technologies available to improve examina-
14 tion and improve patent quality.

15 (2) CONTENTS OF THE STUDY.—The study re-
16 quired under paragraph (1) shall include the fol-
17 lowing:

18 (A) An examination of patent quality at
19 the Office.

20 (B) An examination of ways to improve
21 patent quality, specifically through technology,
22 that shall include examining best practices at
23 foreign patent offices and the use of existing
24 off-the-shelf technologies to improve patent ex-
25 amination.

1 (C) A description of how patents are clas-
2 sified.

3 (D) An examination of procedures in place
4 to prevent double patenting through filing by
5 applicants in multiple art areas.

6 (E) An examination of the types of off-the-
7 shelf prior art databases and search software
8 used by foreign patent offices and governments,
9 particularly in Europe and Asia, and whether
10 those databases and search tools could be used
11 by the Office to improve patent examination.

12 (F) An examination of any other areas the
13 Comptroller General determines to be relevant.

14 (3) REPORT ON STUDY.—Not later than 1 year
15 after the date of the enactment of this Act, the
16 Comptroller General shall submit to the Committee
17 on the Judiciary of the House of Representatives
18 and the Committee on the Judiciary of the Senate
19 a report on the findings and recommendations from
20 the study required by this subsection, including rec-
21 ommendations for any changes to laws and regula-
22 tions that will improve the examination of patent ap-
23 plications and patent quality.

24 (d) STUDY ON PATENT SMALL CLAIMS COURT.—

25 (1) STUDY REQUIRED.—

1 (A) IN GENERAL.—The Director of the
2 Administrative Office of the United States
3 Courts, in consultation with the Director of the
4 Federal Judicial Center and the United States
5 Patent and Trademark Office, shall, using ex-
6 isting resources, conduct a study to examine the
7 idea of developing a pilot program for patent
8 small claims procedures in certain judicial dis-
9 tricts within the existing patent pilot program
10 mandated by Public Law 111–349.

11 (B) CONTENTS OF STUDY.—The study
12 under subparagraph (A) shall examine—

13 (i) the necessary criteria for using
14 small claims procedures;

15 (ii) the costs that would be incurred
16 for establishing, maintaining, and oper-
17 ating such a pilot program; and

18 (iii) the steps that would be taken to
19 ensure that the procedures used in the
20 pilot program are not misused for abusive
21 patent litigation.

22 (2) REPORT ON STUDY.—Not later than 1 year
23 after the date of the enactment of this Act, the Di-
24 rector of the Administrative Office of the United
25 States Courts shall submit a report to the Com-

1 mittee on the Judiciary of the House of Representa-
2 tives and the Committee on the Judiciary of the
3 Senate on the findings and recommendations of the
4 Director of the Administrative Office from the study
5 required under paragraph (1).

6 (e) STUDY ON DEMAND LETTERS.—

7 (1) STUDY.—The Director, in consultation with
8 the heads of other appropriate agencies, shall, using
9 existing resources, conduct a study of the prevalence
10 of the practice of sending patent demand letters in
11 bad faith and the extent to which that practice may,
12 through fraudulent or deceptive practices, impose a
13 negative impact on the marketplace.

14 (2) REPORT TO CONGRESS.—Not later than 1
15 year after the date of the enactment of this Act, the
16 Director shall submit a report to the Committee on
17 the Judiciary of the House of Representatives and
18 the Committee on the Judiciary of the Senate on the
19 findings and recommendations of the Director from
20 the study required under paragraph (1).

21 (3) PATENT DEMAND LETTER DEFINED.—In
22 this subsection, the term “patent demand letter”
23 means a written communication relating to a patent
24 that states or indicates, directly or indirectly, that

1 the recipient or anyone affiliated with the recipient
2 is or may be infringing the patent.

3 (f) STUDY ON BUSINESS METHOD PATENT QUAL-
4 ITY.—

5 (1) GAO STUDY.—The Comptroller General of
6 the United States shall, using existing resources,
7 conduct a study on the volume and nature of litiga-
8 tion involving business method patents.

9 (2) CONTENTS OF STUDY.—The study required
10 under paragraph (1) shall focus on examining the
11 quality of business method patents asserted in suits
12 alleging patent infringement, and may include an ex-
13 amination of any other areas that the Comptroller
14 General determines to be relevant.

15 (3) REPORT TO CONGRESS.—Not later than 1
16 year after the date of the enactment of this Act, the
17 Comptroller General shall submit to the Committee
18 on the Judiciary of the House of Representatives
19 and the Committee on the Judiciary of the Senate
20 a report on the findings and recommendations from
21 the study required by this subsection, including rec-
22 ommendations for any changes to laws or regula-
23 tions that the Comptroller General considers appro-
24 priate on the basis of the study.

1 (g) STUDY ON IMPACT OF LEGISLATION ON ABILITY
2 OF INDIVIDUALS AND SMALL BUSINESSES TO PROTECT
3 EXCLUSIVE RIGHTS TO INVENTIONS AND DISCOV-
4 ERIES.—

5 (1) STUDY REQUIRED.—The Director, in con-
6 sultation with the Secretary of Commerce, the Direc-
7 tor of the Administrative Office of the United States
8 Courts, the Director of the Federal Judicial Center,
9 the heads of other relevant agencies, and interested
10 parties, shall, using existing resources of the Office,
11 conduct a study to examine the economic impact of
12 sections 3, 4, and 5 of this Act, and any amend-
13 ments made by such sections, on the ability of indi-
14 viduals and small businesses owned by women, vet-
15 erans, and minorities to assert, secure, and vindicate
16 the constitutionally guaranteed exclusive right to in-
17 ventions and discoveries by such individuals and
18 small business.

19 (2) REPORT ON STUDY.—Not later than 2
20 years after the date of the enactment of this Act, the
21 Director shall submit to the Committee on the Judi-
22 ciary of the House of Representatives and the Com-
23 mittee on the Judiciary of the Senate a report on
24 the findings and recommendations of the Director
25 from the study required under paragraph (1).

1 **SEC. 9. IMPROVEMENTS AND TECHNICAL CORRECTIONS TO**
2 **THE LEAHY-SMITH AMERICA INVENTS ACT.**

3 (a) POST-GRANT REVIEW AMENDMENT.—Section
4 325(e)(2) of title 35, United States Code is amended by
5 striking “or reasonably could have raised”.

6 (b) USE OF DISTRICT-COURT CLAIM CONSTRUCTION
7 IN POST-GRANT AND INTER PARTES REVIEWS.—

8 (1) INTER PARTES REVIEW.—Section 316(a) of
9 title 35, United States Code, is amended—

10 (A) in paragraph (12), by striking “; and”
11 and inserting a semicolon;

12 (B) in paragraph (13), by striking the pe-
13 riod at the end and inserting “; and”; and

14 (C) by adding at the end the following new
15 paragraph:

16 “(14) providing that for all purposes under this
17 chapter—

18 “(A) each claim of a patent shall be con-
19 strued as such claim would be in a civil action
20 to invalidate a patent under section 282(b), in-
21 cluding construing each claim of the patent in
22 accordance with the ordinary and customary
23 meaning of such claim as understood by one of
24 ordinary skill in the art and the prosecution
25 history pertaining to the patent; and

1 “(B) if a court has previously construed
2 the claim or a claim term in a civil action in
3 which the patent owner was a party, the Office
4 shall consider such claim construction.”.

5 (2) POST-GRANT REVIEW.—Section 326(a) of
6 title 35, United States Code, is amended—

7 (A) in paragraph (11), by striking “; and”
8 and inserting a semicolon;

9 (B) in paragraph (12), by striking the pe-
10 riod at the end and inserting “; and”; and

11 (C) by adding at the end the following new
12 paragraph:

13 “(13) providing that for all purposes under this
14 chapter—

15 “(A) each claim of a patent shall be con-
16 strued as such claim would be in a civil action
17 to invalidate a patent under section 282(b), in-
18 cluding construing each claim of the patent in
19 accordance with the ordinary and customary
20 meaning of such claim as understood by one of
21 ordinary skill in the art and the prosecution
22 history pertaining to the patent; and

23 “(B) if a court has previously construed
24 the claim or a claim term in a civil action in

1 which the patent owner was a party, the Office
2 shall consider such claim construction.”.

3 (3) TECHNICAL AND CONFORMING AMEND-
4 MENT.—Section 18(a)(1)(A) of the Leahy-Smith
5 America Invents Act (Public Law 112–29; 126 Stat.
6 329; 35 U.S.C. 321 note) is amended by striking
7 “Section 321(c)” and inserting “Sections 321(c) and
8 326(a)(13)”.

9 (4) EFFECTIVE DATE.—The amendments made
10 by this subsection shall take effect upon the expira-
11 tion of the 90-day period beginning on the date of
12 the enactment of this Act, and shall apply to any
13 proceeding under chapter 31 or 32 of title 35,
14 United States Code, as the case may be, for which
15 the petition for review is filed on or after such effec-
16 tive date.

17 (c) CODIFICATION OF THE DOUBLE-PATENTING
18 DOCTRINE FOR FIRST-INVENTOR-TO-FILE PATENTS.—

19 (1) AMENDMENT.—Chapter 10 of title 35,
20 United States Code, is amended by adding at the
21 end the following new section:

22 **“§ 106. Prior art in cases of double patenting**

23 “A claimed invention of a patent issued under section
24 151 (referred to as the ‘first patent’) that is not prior art
25 to a claimed invention of another patent (referred to as

1 the ‘second patent’) shall be considered prior art to the
2 claimed invention of the second patent for the purpose of
3 determining the nonobviousness of the claimed invention
4 of the second patent under section 103 if—

5 “(1) the claimed invention of the first patent
6 was effectively filed under section 102(d) on or be-
7 fore the effective filing date of the claimed invention
8 of the second patent;

9 “(2) either—

10 “(A) the first patent and second patent
11 name the same individual or individuals as the
12 inventor; or

13 “(B) the claimed invention of the first pat-
14 ent would constitute prior art to the claimed in-
15 vention of the second patent under section
16 102(a)(2) if an exception under section
17 102(b)(2) were deemed to be inapplicable and
18 the claimed invention of the first patent was, or
19 were deemed to be, effectively filed under sec-
20 tion 102(d) before the effective filing date of
21 the claimed invention of the second patent; and

22 “(3) the patentee of the second patent has not
23 disclaimed the rights to enforce the second patent
24 independently from, and beyond the statutory term
25 of, the first patent.”.

1 (2) REGULATIONS.—The Director shall promul-
2 gate regulations setting forth the form and content
3 of any disclaimer required for a patent to be issued
4 in compliance with section 106 of title 35, United
5 States Code, as added by paragraph (1). Such regu-
6 lations shall apply to any disclaimer filed after a
7 patent has issued. A disclaimer, when filed, shall be
8 considered for the purpose of determining the valid-
9 ity of the patent under section 106 of title 35,
10 United States Code.

11 (3) CONFORMING AMENDMENT.—The table of
12 sections for chapter 10 of title 35, United States
13 Code, is amended by adding at the end the following
14 new item:

“106. Prior art in cases of double patenting.”.

15 (4) EXCLUSIVE RULE.—A patent subject to sec-
16 tion 106 of title 35, United States Code, as added
17 by paragraph (1), shall not be held invalid on any
18 nonstatutory, double-patenting ground based on a
19 patent described in section 3(n)(1) of the Leahy-
20 Smith America Invents Act (35 U.S.C. 100 note).

21 (5) EFFECTIVE DATE.—The amendments made
22 by this subsection shall take effect upon the expira-
23 tion of the 1-year period beginning on the date of
24 the enactment of this Act and shall apply to a pat-
25 ent or patent application only if both the first and

1 second patents described in section 106 of title 35,
2 United States Code, as added by paragraph (1), are
3 patents or patent applications that are described in
4 section 3(n)(1) of the Leahy-Smith America Invents
5 Act (35 U.S.C. 100 note).

6 (d) PTO PATENT REVIEWS.—

7 (1) CLARIFICATION.—

8 (A) SCOPE OF PRIOR ART.—Section
9 18(a)(1)(C)(i) of the Leahy-Smith America In-
10 vents Act (35 U.S.C. 321 note) is amended by
11 striking “section 102(a)” and inserting “sub-
12 section (a) or (e) of section 102”.

13 (B) EFFECTIVE DATE.—The amendment
14 made by subparagraph (A) shall take effect on
15 the date of the enactment of this Act and shall
16 apply to any proceeding pending on, or filed on
17 or after, such date of enactment.

18 (2) AUTHORITY TO WAIVE FEE.—Subject to
19 available resources, the Director may waive payment
20 of a filing fee for a transitional proceeding described
21 under section 18(a) of the Leahy-Smith America In-
22 vents Act (35 U.S.C. 321 note).

23 (e) CLARIFICATION OF LIMITS ON PATENT TERM
24 ADJUSTMENT.—

1 (1) AMENDMENTS.—Section 154(b)(1)(B) of
2 title 35, United States Code, is amended—

3 (A) in the matter preceding clause (i), by
4 striking “not including—” and inserting “the
5 term of the patent shall be extended 1 day for
6 each day after the end of that 3-year period
7 until the patent is issued, not including—”;

8 (B) in clause (i), by striking “consumed by
9 continued examination of the application re-
10 quested by the applicant” and inserting “con-
11 sumed after continued examination of the appli-
12 cation is requested by the applicant”;

13 (C) in clause (iii), by striking the comma
14 at the end and inserting a period; and

15 (D) by striking the matter following clause
16 (iii).

17 (2) EFFECTIVE DATE.—The amendments made
18 by this subsection shall take effect on the date of the
19 enactment of this Act and apply to any patent appli-
20 cation that is pending on, or filed on or after, such
21 date of enactment.

22 (f) CLARIFICATION OF JURISDICTION.—

23 (1) IN GENERAL.—The Federal interest in pre-
24 venting inconsistent final judicial determinations as
25 to the legal force or effect of the claims in a patent

1 presents a substantial Federal issue that is impor-
2 tant to the Federal system as a whole.

3 (2) APPLICABILITY.—Paragraph (1)—

4 (A) shall apply to all cases filed on or
5 after, or pending on, the date of the enactment
6 of this Act; and

7 (B) shall not apply to a case in which a
8 Federal court has issued a ruling on whether
9 the case or a claim arises under any Act of
10 Congress relating to patents or plant variety
11 protection before the date of the enactment of
12 this Act.

13 (g) PATENT PILOT PROGRAM IN CERTAIN DISTRICT
14 COURTS DURATION.—

15 (1) DURATION.—Section 1(c) of Public Law
16 111–349 (124 Stat. 3674; 28 U.S.C. 137 note) is
17 amended to read as follows:

18 “(c) DURATION.—The program established under
19 subsection (a) shall be maintained using existing re-
20 sources, and shall terminate 20 years after the end of the
21 6-month period described in subsection (b).”.

22 (2) EFFECTIVE DATE.—The amendment made
23 by paragraph (1) shall take effect on the date of the
24 enactment of this Act.

25 (h) TECHNICAL CORRECTIONS.—

1 (1) NOVELTY.—

2 (A) AMENDMENT.—Section 102(b)(1)(A)
3 of title 35, United States Code, is amended by
4 striking “the inventor or joint inventor or by
5 another” and inserting “the inventor or a joint
6 inventor or another”.

7 (B) EFFECTIVE DATE.—The amendment
8 made by subparagraph (A) shall be effective as
9 if included in the amendment made by section
10 3(b)(1) of the Leahy-Smith America Invents
11 Act (Public Law 112–29).

12 (2) INVENTOR’S OATH OR DECLARATION.—

13 (A) AMENDMENT.—The second sentence of
14 section 115(a) of title 35, United States Code,
15 is amended by striking “shall execute” and in-
16 serting “may be required to execute”.

17 (B) EFFECTIVE DATE.—The amendment
18 made by subparagraph (A) shall be effective as
19 if included in the amendment made by section
20 4(a)(1) of the Leahy-Smith America Invents
21 Act (Public Law 112–29).

22 (3) ASSIGNEE FILERS.—

23 (A) BENEFIT OF EARLIER FILING DATE;
24 RIGHT OF PRIORITY.—Section 119(e)(1) of title
25 35, United States Code, is amended, in the first

1 sentence, by striking “by an inventor or inven-
2 tors named” and inserting “that names the in-
3 ventor or a joint inventor”.

4 (B) BENEFIT OF EARLIER FILING DATE IN
5 THE UNITED STATES.—Section 120 of title 35,
6 United States Code, is amended, in the first
7 sentence, by striking “names an inventor or
8 joint inventor” and inserting “names the inven-
9 tor or a joint inventor”.

10 (C) EFFECTIVE DATE.—The amendments
11 made by this paragraph shall take effect on the
12 date of the enactment of this Act and shall
13 apply to any patent application, and any patent
14 issuing from such application, that is filed on or
15 after September 16, 2012.

16 (4) DERIVED PATENTS.—

17 (A) AMENDMENT.—Section 291(b) of title
18 35, United States Code, is amended by striking
19 “or joint inventor” and inserting “or a joint in-
20 ventor”.

21 (B) EFFECTIVE DATE.—The amendment
22 made by subparagraph (A) shall be effective as
23 if included in the amendment made by section
24 3(h)(1) of the Leahy-Smith America Invents
25 Act (Public Law 112–29).

1 (5) SPECIFICATION.—Notwithstanding section
2 4(e) of the Leahy-Smith America Invents Act (Pub-
3 lic Law 112–29; 125 Stat. 297), the amendments
4 made by subsections (c) and (d) of section 4 of such
5 Act shall apply to any proceeding or matter that is
6 pending on, or filed on or after, the date of the en-
7 actment of this Act.

8 (6) TIME LIMIT FOR COMMENCING MISCONDUCT
9 PROCEEDINGS.—

10 (A) AMENDMENT.—The fourth sentence of
11 section 32 of title 35, United States Code, is
12 amended by striking “1 year” and inserting
13 “18 months”.

14 (B) EFFECTIVE DATE.—The amendment
15 made by this paragraph shall take effect on the
16 date of the enactment of this Act and shall
17 apply to any action in which the Office files a
18 complaint on or after such date of enactment.

19 (7) PATENT OWNER RESPONSE.—

20 (A) CONDUCT OF INTER PARTES RE-
21 VIEW.—Paragraph (8) of section 316(a) of title
22 35, United States Code, is amended by striking
23 “the petition under section 313” and inserting
24 “the petition under section 311”.

1 (B) CONDUCT OF POST-GRANT REVIEW.—
2 Paragraph (8) of section 326(a) of title 35,
3 United States Code, is amended by striking
4 “the petition under section 323” and inserting
5 “the petition under section 321”.

6 (C) EFFECTIVE DATE.—The amendments
7 made by this paragraph shall take effect on the
8 date of the enactment of this Act.

9 (8) INTERNATIONAL APPLICATIONS.—

10 (A) AMENDMENTS.—Section 202(b) of the
11 Patent Law Treaties Implementation Act of
12 2012 (Public Law 112–211; 126 Stat. 1536) is
13 amended—

14 (i) by striking paragraph (7); and
15 (ii) by redesignating paragraphs (8)
16 and (9) as paragraphs (7) and (8), respec-
17 tively.

18 (B) EFFECTIVE DATE.—The amendments
19 made by subparagraph (A) shall be effective as
20 if included in title II of the Patent Law Trea-
21 ties Implementation Act of 2012 (Public Law
22 112–21).

23 **SEC. 10. EFFECTIVE DATE.**

24 Except as otherwise provided in this Act, the provi-
25 sions of this Act shall take effect on the date of the enact-

1 ment of this Act, and shall apply to any patent issued,
2 or any action filed, on or after that date.

Passed the House of Representatives December 5,
2013.

Attest:

Clerk.

113TH CONGRESS
1ST SESSION

H. R. 3309

AN ACT

To amend title 35, United States Code, and the Leahy-Smith America Invents Act to make improvements and technical corrections, and for other purposes.