

113TH CONGRESS
1ST SESSION

S. 1013

To amend title 35, United States Code, to add procedural requirements for patent infringement suits.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2013

Mr. CORNYN introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 35, United States Code, to add procedural requirements for patent infringement suits.

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.**

4 This Act may be cited as the “Patent Abuse Reduc-
5 tion Act of 2013”.

6 **SEC. 2. PLEADING REQUIREMENTS.**

7 (a) IN GENERAL.—Chapter 29 of title 35, United
8 States Code, is amended by inserting after section 281 the
9 following:

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

3 “In a civil action arising under any Act of Congress
4 relating to patents, a party alleging infringement shall in-
5 clude in the initial complaint, counterclaim, or cross-claim
6 for patent infringement—

7 “(1) an identification of each patent allegedly
8 infringed;

9 “(2) an identification of each claim of each pat-
10 ent identified under paragraph (1) that is allegedly
11 infringed;

12 “(3) for each claim identified under paragraph
13 (2), an identification of each accused apparatus,
14 product, feature, device, method, system, process,
15 function, act, service, or other instrumentality (re-
16 ferred to in this section as an ‘accused instrumen-
17 tality’) alleged to infringe the claim;

18 “(4) for each accused instrumentality identified
19 under paragraph (3), an identification with particu-
20 larity, if known, of—

21 “(A) the name or model number of each
22 accused instrumentality; and

23 “(B) the name of each accused method,
24 system, process, function, act, or service, or the
25 name or model number of each apparatus,
26 product, feature, or device that, when used, al-

1 legedly results in the practice of the claimed in-
2 vention;

3 “(5) for each accused instrumentality identified
4 under paragraph (3), an explanation of—

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

8 “(B) whether each such element is in-
9 fringed literally or under the doctrine of equiva-
10 lents; and

11 “(C) with detailed specificity, how the
12 terms in each asserted claim identified under
13 paragraph (2) correspond to the functionality of
14 the accused instrumentality;

15 “(6) for each claim that is alleged to have been
16 infringed indirectly, a description of—

17 “(A) the direct infringement;

18 “(B) any person alleged to be a direct in-
19 fringer known to the party alleging infringe-
20 ment; and

21 “(C) the acts of the alleged indirect in-
22 fringer that contribute to or are inducing the
23 direct infringement;

24 “(7) a description of the right of the party al-
25 leging infringement to assert each—

1 “(A) patent identified under paragraph
2 (1); and

3 “(B) patent claim identified in paragraph
4 (2);

5 “(8) a description of the principal business of
6 the party alleging infringement;

7 “(9) a list of each complaint filed, of which the
8 party alleging infringement has knowledge, that as-
9 serts or asserted any of the patents identified under
10 paragraph (1);

11 “(10) for each patent identified under para-
12 graph (1), whether such patent is subject to any li-
13 censing term or pricing commitments through any
14 agency, organization, standard-setting body, or other
15 entity or community;

16 “(11) the identity of any person other than the
17 party alleging infringement, known to the party al-
18 leging infringement, who—

19 “(A) owns or co-owns a patent identified
20 under paragraph (1);

21 “(B) is the assignee of a patent identified
22 under paragraph (1); or

23 “(C) is an exclusive licensee to a patent
24 identified under paragraph (1);

1 “(12) the identity of any person other than the
2 party alleging infringement, known to the party al-
3 leging infringement, who has a legal right to enforce
4 a patent identified under paragraph (1) through a
5 civil action under any Act of Congress relating to
6 patents or is licensed under such patent;

7 “(13) the identity of any person with a direct
8 financial interest in the outcome of the action, in-
9 cluding a right to receive proceeds, or any fixed or
10 variable portion thereof; and

11 “(14) a description of any agreement or other
12 legal basis for a financial interest described in para-
13 graph (13).”.

14 (b) TECHNICAL AND CONFORMING AMENDMENT.—
15 The table of sections for chapter 29 of title 35, United
16 States Code, is amended by inserting after the item relat-
17 ing to section 281 the following:

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

18 (c) REVIEW OF FORM 18.—Not later than 12 months
19 after the date of enactment of this Act, the Supreme Court
20 shall review and amend Form 18 of the Federal Rules of
21 Civil Procedure to ensure that Form 18 is consistent with
22 the requirements under section 281A of title 35, United
23 States Code, as added by subsection (a).

1 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion or the amendments made by this section shall be con-
3 strued to alter existing law or rules relating to joinder.

4 **SEC. 3. JOINDER OF INTERESTED PARTIES.**

5 Section 299 of title 35, United States Code, is
6 amended by adding at the end the following:

7 “(d) JOINDER OF INTERESTED PARTIES.—

8 “(1) DEFINITION.—In this subsection, the term
9 ‘interested party’, with respect to a civil action aris-
10 ing under any Act of Congress relating to patents—

11 “(A) means a person described in para-
12 graph (11) or (13) of section 281A; and

13 “(B) does not include an attorney or law
14 firm providing legal representation in the action
15 if the sole basis for the financial interest of the
16 attorney or law firm in the outcome of the ac-
17 tion arises from an agreement to provide that
18 legal representation.

19 “(2) JOINDER OF INTERESTED PARTIES.—In a
20 civil action arising under any Act of Congress relat-
21 ing to patents, the court shall grant a motion by a
22 party defending an infringement claim to join an in-
23 terested party if the defending party shows that the
24 interest of the plaintiff in any patent identified in
25 the complaint, including a claim asserted in the com-

1 plaint, is limited primarily to asserting any such pat-
2 ent claim in litigation.

3 “(3) LIMITATION ON JOINDER.—The court may
4 deny a motion to join an interested party under
5 paragraph (2) if—

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

8 “(B) joinder under paragraph (2) would
9 deprive the court of subject matter jurisdiction
10 or make venue improper.”.

11 **SEC. 4. DISCOVERY LIMITS.**

12 (a) IN GENERAL.—Chapter 29 of title 35, United
13 States Code, is amended by adding at the end the fol-
14 lowing:

15 **“§ 300. Discovery in patent infringement suits**

16 “(a) DISCOVERY LIMITATION PRIOR TO CLAIM CON-
17 STRUCTION.—

18 “(1) IN GENERAL.—Except as provided in para-
19 graph (2), in a civil action arising under any Act of
20 Congress relating to patents, if the court determines
21 that a ruling relating to the construction of terms
22 used in a patent claim asserted in the complaint is
23 required, discovery shall be limited, until such rul-
24 ing, to information necessary for the court to deter-
25 mine the meaning of the terms used in the patent

1 claim, including any interpretation of those terms
2 used to support the claim of infringement.

3 “(2) DISCRETION TO EXPAND SCOPE OF DIS-
4 COVERY.—

5 “(A) TIMELY RESOLUTION OF ACTIONS.—

6 If, under any provision of Federal law (includ-
7 ing the Drug Price Competition and Patent
8 Term Restoration Act (Public Law 98–417)),
9 resolution within a specified period of time of a
10 civil action arising under any Act of Congress
11 relating to patents will have an automatic im-
12 pact upon the rights of a party with respect to
13 the patent, the court may permit discovery in
14 addition to the discovery authorized under para-
15 graph (1) before the ruling described in para-
16 graph (1) as necessary to ensure timely resolu-
17 tion of the action.

18 “(B) RESOLUTION OF MOTIONS.—When

19 necessary to resolve a motion properly raised by
20 a party before a ruling relating to the construc-
21 tion of terms (as described in paragraph (1)),
22 the court may allow limited discovery in addi-
23 tion to the discovery authorized under para-
24 graph (1) as necessary to resolve the motion.

25 “(b) SEQUENCE AND SCOPE; COST-SHIFTING.—

1 “(1) DEFINITIONS.—In this subsection—

2 “(A) the term ‘additional discovery’ means
3 discovery of evidence other than core documen-
4 tary evidence; and

5 “(B) the term ‘core documentary evidence’,
6 with respect to a civil action arising under any
7 Act of Congress relating to patents—

8 “(i) subject to clause (ii), includes
9 only documents that—

10 “(I) relate to the conception, re-
11 duction to practice, and application
12 for the asserted patent;

13 “(II) are sufficient to show the
14 technical operation of the instrumen-
15 tality identified in the complaint as
16 infringing the asserted patent;

17 “(III) relate to potentially invali-
18 dating prior art;

19 “(IV) relate to previous licensing
20 or conveyances of the asserted patent;

21 “(V) are sufficient to show rev-
22 enue attributable to any claimed in-
23 vention;

24 “(VI) are sufficient to show the
25 organizational ownership and struc-

1 ture of each party, including identi-
2 fication of any person that has a fi-
3 nancial interest in the asserted patent;

4 “(VII) relate to awareness of the
5 asserted patent or claim, or the in-
6 fringement, before the action was
7 filed; and

8 “(VIII) sufficient to show any
9 marking, lack of marking, or notice of
10 the asserted patent provided to the
11 accused infringer; and

12 “(ii) does not include computer code
13 or electronic communication, such as e-
14 mail, text messages, instant messaging,
15 and other forms of electronic communica-
16 tion, unless the court finds good cause for
17 including such computer code or electronic
18 communication as core documentary evi-
19 dence of a particular party under clause
20 (i).

21 “(2) DISCOVERY SEQUENCE AND SCOPE.—In a
22 civil action arising under any Act of Congress relat-
23 ing to patents, the parties shall discuss and address
24 in the written report filed under rule 26(f)(2) of the

1 Federal Rules of Civil Procedure the views and pro-
2 posals of the parties on—

3 “(A) when the discovery of core documen-
4 tary evidence should be completed;

5 “(B) whether the parties will seek addi-
6 tional discovery under paragraph (3); and

7 “(C) any issues relating to infringement,
8 invalidity, or damages that, if resolved before
9 the additional discovery described in paragraph
10 (3) commences, will simplify or streamline the
11 case, including the identification of any key pat-
12 ent claim terms or phrases to be construed by
13 the court and whether the early construction of
14 any of those terms or phrases would be helpful.

15 “(3) DISCOVERY COST-SHIFTING.—

16 “(A) IN GENERAL.—In a civil action aris-
17 ing under any Act of Congress relating to pat-
18 ents, each party shall be responsible for the
19 costs of producing core documentary evidence
20 within the possession, custody, or control of
21 that party.

22 “(B) ADDITIONAL DISCOVERY.—

23 “(i) IN GENERAL.—A party to a civil
24 action arising under any Act of Congress
25 relating to patents may seek additional dis-

1 covery if the party bears the costs of the
2 additional discovery, including reasonable
3 attorney’s fees.

4 “(ii) REQUIREMENTS.—A party shall
5 not be allowed additional discovery unless
6 the party—

7 “(I) at the time that such party
8 seeks additional discovery, provides to
9 the party from whom the additional
10 discovery is sought payment of the an-
11 ticipated costs of the discovery; or

12 “(II) posts a bond in an amount
13 sufficient to cover the anticipated
14 costs of the discovery.

15 “(C) RULES OF CONSTRUCTION.—Nothing
16 in subparagraph (A) or (B) shall be construed
17 to—

18 “(i) entitle a party to information not
19 otherwise discoverable under the Federal
20 Rules of Civil Procedure or any other ap-
21 plicable rule or order;

22 “(ii) require a party to produce privi-
23 leged matter or other discovery otherwise
24 limited under the Federal Rules of Civil
25 Procedure; or

1 “(iii) prohibit a court from—
2 “(I) determining that a request
3 for discovery is excessive, irrelevant,
4 or otherwise abusive; or
5 “(II) setting other limits on dis-
6 covery.”.

7 **SEC. 5. COSTS AND EXPENSES.**

8 (a) IN GENERAL.—Section 285 of title 35, United
9 States Code, is amended to read as follows:

10 **“§ 285. Costs and expenses**

11 “(a) IN GENERAL.—The court shall award to the pre-
12 vailing party reasonable costs and expenses, including at-
13 torney’s fees, unless—

14 “(1) the position and conduct of the non-pre-
15 vailing party were objectively reasonable and sub-
16 stantially justified; or

17 “(2) exceptional circumstances make such an
18 award unjust.

19 “(b) PROHIBITION ON CONSIDERATION OF CERTAIN
20 SETTLEMENTS.—In determining whether an exception
21 under paragraph (1) or (2) of subsection (a) applies, the
22 court shall not consider as evidence any license taken in
23 settlement of an asserted claim.

24 “(c) RECOVERY.—If the non-prevailing party is un-
25 able to pay reasonable costs and expenses awarded by the

1 court under subsection (a), the court may make the rea-
 2 sonable costs and expenses recoverable against any inter-
 3 ested party, as defined in section 299(d).”.

4 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

5 (1) TABLE OF SECTIONS.—The table of sections
 6 for chapter 29 of title 35, United States Code, is
 7 amended by striking the item relating to section 285
 8 and inserting the following:

“285. Costs and expenses.”.

9 (2) CONFORMING AMENDMENTS.—Chapter 29
 10 of title 35, United States Code, is amended—

11 (A) in section 271(e)(4), in the flush text
 12 following subparagraph (D), by striking “attor-
 13 ney fees” and inserting “reasonable costs and
 14 expenses, including attorney’s fees,”;

15 (B) in section 273(f), by striking “attorney
 16 fees” and inserting “reasonable costs and ex-
 17 penses, including attorney’s fees,”; and

18 (C) in section 296(b), by striking “attor-
 19 ney fees” and inserting “reasonable costs and
 20 expenses (including attorney’s fees)”.

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