

108TH CONGRESS
2D SESSION

H. R. 5299

To amend title 35, United States Code, to modify certain procedures relating to patents.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2004

Mr. BERMAN (for himself and Mr. BOUCHER) introduced the following bill;
which was referred to the Committee on the Judiciary

A BILL

To amend title 35, United States Code, to modify certain procedures relating to patents.

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 Quality Assist-
5 ance Act of 2004”.

6 **SEC. 2. OPPOSITION PROCEDURES.**

7 (a) IN GENERAL.—Title 35, United States Code, is
8 amended by inserting after chapter 31 the following new
9 chapter:

1 **“CHAPTER 32—POST-GRANT OPPOSITION** 2 **PROCEDURES**

“Sec.

“321. Right to oppose patent; opposition request.

“322. Real party in interest.

“323. Timing of opposition request.

“324. Limits on scope of validity issues raised.

“325. Institution of the opposition proceeding.

“326. Patent owner response.

“327. Amendment of claims.

“328. Discovery and sanctions.

“329. Supplemental submissions.

“330. Hearing and briefs.

“331. Written decision.

“332. Burden of proof and evidence.

“333. Reconsideration.

“334. Appeal.

“335. Certificate.

“336. Estoppel.

“337. Duration of opposition.

“338. Settlement.

“339. Intervening rights.

“340. Relationship with reexamination proceedings.

3 **“§ 321. Right to oppose patent; opposition request**

4 “(a) **FILING OF OPPOSITION.**—A person may request
5 that the grant or reissue of a patent be reconsidered by
6 the Patent and Trademark Office by filing an opposition
7 seeking to invalidate 1 or more claims in the patent. The
8 Director shall establish, by regulation, fees to be paid by
9 the person filing the opposition (in this chapter referred
10 to as the ‘opposer’). Copies of patents and printed publica-
11 tions to be relied upon in support of the request must be
12 filed with the request. If an opposer relies on other factual
13 evidence or on expert opinions in support of the opposi-
14 tion, such evidence and opinions must be filed with the

1 request through one or more accompanying affidavits or
2 declarations.

3 “(b) COPIES PROVIDED TO PATENT OWNER.—Copies
4 of any documents filed under subsection (a) must be pro-
5 vided to the patent owner or, if applicable, the designated
6 representative of the patent owner, at the time of filing
7 under subsection (a), except that if a request is made that
8 the identity of a real party in interest be kept separate
9 pursuant to section 322(b), then the identity of the real
10 party in interest may be redacted from the copies pro-
11 vided.

12 “(c) FILE AVAILABLE TO THE PUBLIC.—The file of
13 any opposition proceeding shall be made available to the
14 public, except as provided in section 322.

15 **“§ 322. Real party in interest**

16 “(a) IDENTIFICATION.—The person making a request
17 under section 321 shall identify in writing each real party
18 in interest, and the opposition pursuant to the request
19 shall proceed in the name of the real party in interest.

20 “(b) IDENTITY KEPT SEPARATE UPON REQUEST.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 if requested by the opposer, the identity of a real
23 party in interest shall be kept separate from the file
24 of the opposition and made available only to Govern-
25 ment agencies upon written request, or to any per-

1 son upon a showing of good cause. If the identity of
2 a real party in interest is kept separate from the file
3 under this paragraph, then the opposition shall pro-
4 ceed in the name of the individual filing the request
5 as the representative of the real party in interest.

6 “(2) EXCEPTION.—No request under paragraph
7 (1) to keep the identity of a real party in interest
8 separate from the file of the opposition may be made
9 or maintained if the opposer relies upon factual evi-
10 dence or expert opinions in the form of affidavits or
11 declarations during the opposition proceeding or if
12 the opposer exercises the right to appeal under sec-
13 tion 141.

14 **“§ 323. Timing of opposition request**

15 “A person may not make an opposition request under
16 section 321 later than 9 months after the grant of the
17 patent or issuance of the reissue patent, as the case may
18 be, or later than 6 months after receiving notice from the
19 patent holder alleging infringement of the patent, except
20 that, if the patent owner consents in writing, an opposition
21 request may be filed anytime during the period of enforce-
22 ability of the patent. A court having jurisdiction over an
23 issue of validity of a patent may not require the patent
24 owner to consent to such a request.

1 **“§ 324. Limits on scope of validity issues raised**

2 “An opposition request under section 321 must iden-
3 tify with particularity the claims that are alleged to be
4 invalid and, as to each claim, 1 or more issues of invalidity
5 on which the opposition is based. The issues of invalidity
6 that may be considered during the opposition proceeding
7 are double patenting and any of the requirements for pat-
8 entability set forth in sections 101, 102, 103, and 112,
9 and the fourth paragraph of section 251, except for—

10 “(1) any requirement contained in the first
11 paragraph of section 112 relating to disclosing the
12 best mode; and

13 “(2) any issue arising under subsection (e), (f),
14 or (g) of section 102.

15 **“§ 325. Institution of the opposition proceeding**

16 “(a) DISMISSAL; INSTITUTION.—

17 “(1) DISMISSAL.—The Director may dismiss an
18 opposition request that the Director determines
19 lacks substantial merit. The determination by the
20 Director to dismiss an opposition request shall not
21 be appealable. The dismissal of an opposition re-
22 quest shall not be admissible in any civil action re-
23 lated to the patent against which a dismissed re-
24 quest was filed.

25 “(2) INSTITUTION.—If the Director receives 1
26 or more requests that meet the requirements of sec-

1 tion 321 regarding the same patent by the Director
2 and are not dismissed under paragraph (1), an op-
3 position proceeding shall be promptly instituted pur-
4 suant to the request or requests, but not before a
5 period of 9 months has elapsed since the date on
6 which the patent was granted.

7 “(3) CONSOLIDATED PROCEEDING.—If an op-
8 position proceeding is instituted based upon more
9 than 1 opposition request, the opposition shall pro-
10 ceed as a single consolidated proceeding, unless later
11 divided under subsection (c).

12 “(b) PARTIES.—The parties to an opposition pro-
13 ceeding under this section shall be the patent owner and
14 each opposer whose request meets the requirements of sec-
15 tion 321 and has not been dismissed under subsection
16 (a)(1).

17 “(c) DECISION BY PANEL.—The Director shall as-
18 sign the opposition proceeding to a panel of three adminis-
19 trative patent judges (in this chapter referred to as the
20 ‘panel’). The panel shall decide the questions of patent-
21 ability raised in each opposition request for which an oppo-
22 sition proceeding has been instituted. The decision shall
23 be based upon the prosecution record that was the basis
24 for the grant of the patent and the additional submissions
25 by the parties to the opposition proceeding authorized

1 under this chapter. The panel may, in appropriate cases,
2 divide the opposition into separate proceedings if the oppo-
3 sition involves multiple opposition requests by different
4 parties.

5 **“§ 326. Patent owner response**

6 “After the Director has instituted an opposition pro-
7 ceeding under section 325, the patent owner shall have
8 the right to file, within the time period set by the panel,
9 a response to each opposition request that is the subject
10 of the proceeding. The patent owner, in responding to an
11 opposition request, shall file with the response, through
12 affidavits or declarations, any additional factual evidence
13 and expert opinions on which the patent owner relies in
14 support of the response.

15 **“§ 327. Amendment of claims**

16 “The patent owner is entitled to request amendment
17 of any claims that are the subject of an opposition pro-
18 ceeding under this chapter, including by the addition of
19 new claims. The patent owner shall file any such request
20 for amendment with the patent owner’s response to an op-
21 position request under section 326. The panel may permit
22 further requests for amendment of the claims only upon
23 good cause shown by the patent owner. No amendment
24 enlarging the scope of the claims of the patent shall be
25 permitted in the opposition proceeding.

1 **“§ 328. Discovery and sanctions**

2 “(a) DISCOVERY.—After an opposition proceeding is
3 instituted under this chapter, the patent owner shall have
4 the right to depose each person submitting an affidavit
5 or declaration on behalf of any opposer, and each opposer
6 shall have the right to depose each person submitting an
7 affidavit or declaration on behalf of the patent owner.
8 Such depositions shall be limited to cross-examination on
9 matters relevant to the affidavit or declaration. No other
10 discovery shall be permitted unless the panel determines
11 that additional discovery is required in the interest of jus-
12 tice. The panel shall determine the schedule for the taking
13 of discovery under this subsection.

14 “(b) SANCTIONS.—If any party to an opposition pro-
15 ceeding fails to properly respond to any discovery under
16 subsection (a), the panel may draw appropriate adverse
17 inferences and take other action permitted by statute,
18 rule, or regulation.

19 **“§ 329. Supplemental submissions**

20 “The panel may permit one or more supplemental
21 submissions to be made by any party to an opposition pro-
22 ceeding under this chapter, subject to the rights and limi-
23 tations on discovery under section 328.

24 **“§ 330. Hearing and briefs**

25 “Any party to an opposition proceeding under this
26 chapter may request an oral hearing within the time set

1 by the panel. If a hearing is requested or the panel deter-
2 mines sua sponte that a hearing is needed, the panel shall
3 set a time for the hearing. The panel may permit the par-
4 tied to file briefs for the hearing, and shall permit cross-
5 examination of all affiants and declarants in the hearing,
6 either before the panel or by deposition taken under sec-
7 tion 328.

8 **“§ 331. Written decision**

9 “The panel shall issue a written decision on each
10 issue of patentability with respect to each claim that is
11 the subject of an opposition proceeding under this chapter.
12 The written decision shall consist of findings of fact and
13 conclusions of law. The written decision shall become a
14 final determination of the Office on the issues raised in
15 the opposition unless a party to the opposition files a re-
16 quest for reconsideration and modification of the written
17 decision within a period set by the panel, which shall not
18 be less than two weeks from the date of the written deci-
19 sion.

20 **“§ 332. Burden of proof and evidence**

21 “(a) BURDEN OF PROOF.—The opposer in an opposi-
22 tion proceeding under this chapter shall have the burden
23 to prove the invalidity of a claim by a preponderance of
24 the evidence. The determination of invalidity shall be

1 based upon the broadest reasonable construction of the
2 claim.

3 “(b) EVIDENCE.—The Federal Rules of Evidence
4 shall apply to the opposition proceeding, except to the ex-
5 tent inconsistent with any provision of this chapter.

6 **“§ 333. Reconsideration**

7 “If a request is filed for reconsideration of the written
8 decision in an opposition proceeding under this chapter,
9 the panel may authorize a party to the proceeding who
10 did not file such a request to file a response to the request
11 for reconsideration. Following any reconsideration, the
12 panel shall either deny the request for modification of the
13 written decision or grant the request and issue a modified
14 written decision, which shall constitute the final deter-
15 mination of the Office on the issues raised in the opposi-
16 tion proceeding.

17 **“§ 334. Appeal**

18 “A party dissatisfied with the final determination of
19 the panel in an opposition proceeding under this chapter
20 may appeal the determination under sections 141 through
21 144. Any party to the opposition proceeding shall have the
22 right to be a party to the appeal.

23 **“§ 335. Certificate**

24 “When a decision of a panel in an opposition pro-
25 ceeding under the chapter has become final under section

1 331, 333, or 334, as the case may be, the Director shall
2 issue and publish a certificate in accordance with the deci-
3 sion, canceling any claim of the patent determined to be
4 unpatentable, and shall incorporate into the patent any
5 new or amended claims determined to be patentable. The
6 issuance of the certificate shall terminate the opposition
7 proceeding.

8 **“§ 336. Estoppel**

9 “(a) ESTOPPEL.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 after a certificate has been issued under section 335
12 in accordance with the decision of the panel in an
13 opposition proceeding, the determination with re-
14 spect to an issue of invalidity raised by an opposer
15 shall bar that opposer from raising, in any subse-
16 quent proceeding involving that opposer under this
17 title, any issue of fact or law actually decided and
18 necessary to the determination of that issue.

19 “(2) EXCEPTION.—If an opposer in an opposi-
20 tion proceeding demonstrates, in a subsequent pro-
21 ceeding referred to in paragraph (1), that there is
22 additional factual evidence that is material to an
23 issue of fact actually decided in the opposition pro-
24 ceeding, and necessary to the final determination in
25 the opposition proceeding, that could not reasonably

1 have been discovered or presented in the opposition
2 proceeding by that opposer, the opposer may raise,
3 in that subsequent proceeding, that issue of fact and
4 any determined issue of law for which the issue of
5 fact was necessary.

6 “(b) EXPANDED DEFINITION OF OPPOSER.—For
7 purposes of this section, the term ‘opposer’ includes the
8 person making the request under section 321, any real
9 party in interest, and their successors in interest.

10 “(c) NEW PARTY-IN-INTEREST.—If a proceeding
11 arising by reason of additional factual evidence raised
12 under subsection (a)(2) involves a real party in interest
13 not identified to the patent owner under section 322, the
14 real party in interest shall notify the Director and the pat-
15 ent owner of that fact and of the proceeding, within 30
16 days after receiving notice that the proceeding has been
17 filed.

18 **“§ 337. Duration of opposition**

19 “The determination of a panel in an opposition pro-
20 ceeding under this chapter, including any determinations
21 pursuant to a request for reconsideration under section
22 133, shall be issued not later than 1 year after the date
23 on which the opposition proceeding is instituted under sec-
24 tion 325. Upon good cause shown, the Director may ex-
25 tend the 1-year period by not more than 6 months.

1 **“§ 338. Settlement**

2 “(a) IN GENERAL.—An opposition proceeding under
3 this chapter shall be terminated with respect to any op-
4 poser upon the joint request of the opposer and the patent
5 owner, unless the panel has issued a written decision
6 under section 331 before the request for termination is
7 filed. If the opposition is terminated with respect to an
8 opposer under this section, no estoppel under section 336
9 shall apply to that opposer with respect to an issue of inva-
10 lidity raised in the opposition proceeding. The written de-
11 cision under section 331 shall thereafter be issued only
12 with respect to issues of invalidity raised by opposers that
13 remain in the opposition proceeding.

14 “(b) AGREEMENTS IN WRITING.—Any agreement or
15 understanding between the patent owner and an opposer,
16 including any collateral agreements referred to therein,
17 that is made in connection with or in contemplation of
18 the termination of an opposition proceeding under sub-
19 section (a) shall be in writing. The opposition with respect
20 to the parties to the agreement or understanding shall not
21 be terminated until a true copy of the agreement or under-
22 standing, including any such collateral agreements, has
23 been filed in the Patent and Trademark Office. If any
24 party filing such an agreement or understanding requests,
25 the agreement or understanding shall be kept separate
26 from the file of the opposition, and shall be made available

1 only to Government agencies on written request, or to any
2 person on a showing of good cause.

3 “(c) DISCRETIONARY ACTIONS REVIEWABLE.—Any
4 discretionary action of the Director under subsection (b)
5 shall be reviewable under chapter 7 of title 5.

6 **“§ 339. Intervening rights**

7 “Any proposed amended or new claim determined to
8 be patentable and incorporated into a patent following an
9 opposition proceeding under this chapter shall have the
10 same effect as that specified in section 252 of this title
11 for reissued patents on the right of any person who made,
12 purchased, or used within the United States, or imported
13 into the United States, anything patented by such pro-
14 posed amended or new claim, or who made substantial
15 preparation therefor, before the certificate issued under
16 section 335 with respect to that amended or new claim.

17 **“§ 340. Relationship with reexamination proceedings**

18 “(a) ESTOPPEL.—A patent for which an opposition
19 proceeding has been instituted under this chapter may not
20 thereafter be made the subject of a request under section
21 302 or 311 for reexamination, by the same opposer or on
22 behalf of the same real party in interest, on the same
23 claim and on the same issue that was the basis of the
24 opposition proceeding.

1 “(b) STAYING OF OTHER PROCEEDINGS.—[If, after
 2 an opposition proceeding has been instituted under this
 3 chapter, a request for reexamination under section 302 or
 4 section 311 is made by or on behalf of a person other than
 5 the opposer or the same real party in interest, such reex-
 6 amination shall be stayed during the pendency of any op-
 7 position proceeding under this chapter.]”.

8 (b) CLERICAL AMENDMENT.—The table of chapters
 9 for part III of title 35, United States Code, is amended
 10 by adding at the end the following:

“32. Opposition Procedures 321.”.

11 **SEC. 3. PUBLICATION OF PATENT APPLICATIONS.**

12 Section 122 of title 35, United States Code, is
 13 amended by striking subsection (c) and redesignating sub-
 14 section (d) as subsection (c).

15 **SEC. 4. SUBMISSIONS BY THIRD PARTIES.**

16 Section 131 of title 35, United States Code, is
 17 amended—

18 (1) by striking “The Director” and inserting
 19 “(a) IN GENERAL.—The Director”; and
 20 (2) by adding at the end the following:

21 “(b) THIRD PARTY SUBMISSIONS.—Any party shall
 22 have the opportunity to submit for consideration and for
 23 inclusion in the record, prior art (including, but not lim-
 24 ited to, evidence of knowledge or use, or public use or sale,
 25 under section 102), to determine whether the invention

1 was known or used, or was in public use, or on sale, under
2 section 102 or would have been obvious under section 103.
3 The Director shall consider such submissions if the re-
4 quest—

5 “(1) is made in writing not later than—

6 “(A) 6 months after the date on which the
7 patent application is published under section
8 122, or

9 “(B) before the date on which a notice of
10 allowance is mailed under section 151 for a pat-
11 ent on the invention,
12 whichever occurs first;

13 “(2) is accompanied by the payment of a fee es-
14 tablished by the Director under section 41 for third
15 party submissions;

16 “(3) sets forth the teaching and applicability of
17 each reference and the basis on which the submis-
18 sion is offered; and

19 “(4) includes a sworn declaration attesting to
20 the relevance and accuracy of the submissions.

21 Information submitted under this subsection shall be con-
22 sidered during the examination of the patent application.”.

23 **SEC. 5. EFFECT OF NOTICES OF INFRINGEMENT.**

24 A notice by a patent holder alleging infringement of
25 the patent shall not be deemed sufficient to subject a re-

1 cipient of the notice to liability for willful infringement of
2 the patent unless the notice would cause the recipient to
3 have standing in a proceeding pursuant to a motion for
4 declaratory judgment with respect to the subject matter
5 of the notice.

6 **SEC. 6. INJUNCTIONS.**

7 Section 283 of title 35, United States Code, is
8 amended—

9 (1) by striking “The several” and inserting “(a)

10 IN GENERAL.—The several”; and

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

12 “(b) GROUNDS FOR GRANTING INJUNCTION.—A
13 court shall not grant an injunction under this section un-
14 less it finds that the patentee is likely to suffer irreparable
15 harm that cannot be remedied by payment of money dam-
16 ages. In making or rejecting such a finding, the court shall
17 not presume the existence of irreparable harm, but rather
18 the court shall consider and weigh evidence, if any, tend-
19 ing to establish or negate any equitable factor relevant to
20 a determination of the existence of irreparable harm, in-
21 cluding, but not limited to, the extent to which the pat-
22 entee makes use of the technology claimed by the patent.”.

1 **SEC. 7. INTER PARTES REEXAMINATION.**

2 (a) ESTOPPEL PROVISION.—Section 315(c) of title
3 35, United States Code, is amended by striking “or could
4 have raised”.

5 (b) APPLICABILITY.—Notwithstanding section
6 4608(a) of the Intellectual Property and Communications
7 Reform Act of 1999, as enacted by section 1000(a)(9) of
8 Public Law 106–113 (41 U.S.C. note), sections 311
9 through 318 of title 35, United States Code, as amended
10 by this section, shall apply to any patent that issues from
11 an original application filed before, on, or after November
12 29, 1999.

13 **SEC. 8. NONOBVIOUSNESS.**

14 Section 103 of title 35, United States Code, is
15 amended by adding at the end the following:

16 “(d)(1) A business method invention shall be pre-
17 sumed obvious under this section if the only significant
18 difference between the combined teachings of the prior art
19 and the claimed invention is that the claimed invention
20 is appropriate for use with a computer technology, un-
21 less—

22 “(A) the application of the computer technology
23 is novel; or

24 “(B) the computer technology is novel and not
25 the subject of another patent or patent application.

1 “(2)(A) An applicant or patentee may rebut the pre-
 2 sumption under paragraph (1) upon a showing by a pre-
 3 ponderance of the evidence that the invention is not obvi-
 4 ous to persons of ordinary skill in all relevant arts.

5 “(B) Those areas of art which are relevant for pur-
 6 poses of subparagraph (A) include the field of the business
 7 method and the field of the computer implementation.”.

8 **SEC. 9. CONFORMING AMENDMENTS.**

9 (a) DEFINITIONS.—Section 100(e) of title 35, United
 10 States Code, is amended by striking “or inter partes reex-
 11 amination under section 311” and inserting “inter partes
 12 reexamination under section 311, or an opposition under
 13 section 321,”.

14 (b) APPEAL TO COURT OF APPEALS.—(1) Section
 15 141 of title 35, United States Code, is amended in the
 16 first sentence, by inserting “or a final determination of
 17 a panel of administrative patent judges under chapter 32
 18 of this title” after “134 of this title”.

19 (2) Section 143 of title 35, United States Code, is
 20 amended by inserting after the third sentence the fol-
 21 lowing: “In any opposition proceeding, the panel of admin-
 22 istrative patent judges making the determination in the
 23 proceeding shall submit to the court in writing the
 24 grounds for the decision of the panel, addressing all the
 25 issues involved in the appeal.”

1 **SEC. 10. EFFECTIVE DATE.**

2 Except as provided in section 7(b), the amendments
3 made by this Act shall apply to patents issued, and appli-
4 cations for patent that are made, on and after the date
5 of the enactment of this Act.

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