

117TH CONGRESS
1ST SESSION

S. 2774

To amend title 35, United States Code, to address patent ownership, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2021

Mr. LEAHY (for himself and Mr. TILLIS) 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 address patent
ownership, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pride in Patent Owner-
5 ship Act”.

6 **SEC. 2. PATENTS.**

7 (a) AMENDMENTS TO TITLE 35.—

8 (1) IN GENERAL.—Title 35, United States
9 Code, is amended—

1 (A) in chapter 11, by adding at the end
2 the following:

3 **“§ 124. Government funding of patent applications**
4 **and maintenance fees**

5 “(a) GOVERNMENT FUNDING OF PATENT APPLICA-
6 TIONS.—For any application for patent, if any govern-
7 mental entity, including a foreign governmental entity,
8 provides funding specifically for the purpose of paying fees
9 to the Office under section 41, or specifically for the pur-
10 pose of paying an attorney or patent agent for prosecution
11 of the application, the application shall include, or be
12 amended to include, a statement describing the amount
13 and source of the funding provided by the entity.

14 “(b) GOVERNMENT FUNDING OF MAINTENANCE
15 FEES.—For any patent, if any governmental entity, in-
16 cluding a foreign governmental entity, provides funding
17 specifically for the purpose of paying maintenance fees to
18 the Office under section 41, or specifically for the purpose
19 of paying an attorney or patent agent for submitting those
20 maintenance fees, the patentee shall file a separate state-
21 ment describing the amount and source of the funding
22 provided by the entity.”; and

23 (B) in section 261—

24 (i) by striking the first undesignated
25 paragraph and inserting the following:

1 “(a) IN GENERAL.—

2 “(1) ATTRIBUTES OF PERSONAL PROPERTY.—

3 Subject to the provisions of this title, patents shall
4 have the attributes of personal property.

5 “(2) REGISTER OF INTERESTS.—

6 “(A) IN GENERAL.—The Patent and
7 Trademark Office shall maintain a register of
8 interests in patents and applications for patents
9 and shall record any document related thereto
10 upon request, and may require a fee therefor.

11 “(B) PUBLIC AVAILABILITY.—The Office
12 shall make the information described in sub-
13 paragraph (A) publicly accessible, to the extent
14 permitted by law.

15 “(3) REQUIREMENT TO RECORD CERTAIN AS-
16 SIGNMENTS AND OTHER INTERESTS.—

17 “(A) IN GENERAL.—Whenever a patent
18 issues, or certain rights or interests in a patent
19 (as defined by the Director) are assigned,
20 granted, or conveyed to any person, including a
21 governmental or legal entity, including a parent
22 corporation—

23 “(i) the patentee shall, not later than
24 90 days after the effective date of the
25 issuance, assignment, grant, or conveyance,

1 as applicable, submit, or cause to be sub-
2 mitted, a request described in paragraph
3 (2), unless such a request was submitted
4 before the issuance of the patent; and

5 “(ii) the Office shall, not later than
6 60 days after the date on which the Office
7 receives a request submitted under clause
8 (i)—

9 “(I) notify the patentee regard-
10 ing any error in the request; or

11 “(II) record the interest in the
12 register described in paragraph (2).

13 “(B) EFFECT OF FAILURE TO COMPLY.—

14 If a patentee fails to comply with subparagraph
15 (A)(i), no party may recover, for infringement
16 of the applicable patent in any action, increased
17 monetary damages under section 284 during
18 the period beginning on the date that is 91
19 days after the effective date of the issuance, as-
20 signment, grant, or conveyance with respect to
21 the patent, as applicable, and ending on the
22 date on which that issuance, assignment, grant,
23 or conveyance is properly requested to be re-
24 corded under paragraph (2).”;

1 (ii) in the first undesignated para-
 2 graph following subsection (a), as so des-
 3 ignated by clause (i) of this subparagraph,
 4 by striking “Applications” and inserting
 5 the following:

6 “(b) APPLICATIONS AND PATENTS ASSIGNABLE.—
 7 Applications”;

8 (iii) in the first undesignated para-
 9 graph following subsection (b), as so des-
 10 ignated by clause (ii) of this subparagraph,
 11 by striking “A certificate” and inserting
 12 the following:

13 “(c) CERTIFICATE OF ACKNOWLEDGMENT.—A cer-
 14 tificate”; and

15 (iv) in the undesignated paragraph
 16 following subsection (c), as so designated
 17 by clause (iii) of this subparagraph, by
 18 striking “An interest” and inserting the
 19 following:

20 “(d) EFFECT OF ASSIGNMENT.—An interest”.

21 (2) TECHNICAL AND CONFORMING AMEND-
 22 MENT.—The table of sections for chapter 11 of title
 23 35, United States Code, is amended by adding at
 24 the end the following:

“124. Government funding of patent applications and maintenance fees.”.

25 (3) EFFECTIVE DATES; APPLICABILITY.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), the amendments made by
3 this subsection shall take effect on the date that
4 is 1 year after the date of enactment of this
5 Act.

6 (B) AMENDMENTS REGARDING OWNERSHIP
7 AND ASSIGNMENT.—

8 (i) IN GENERAL.—Except as provided
9 in clause (ii), the amendments made by
10 paragraph (1)(B) shall take effect on the
11 date of enactment of this Act.

12 (ii) REQUIREMENT TO RECORD AS-
13 SIGNMENTS AND CERTAIN OTHER INTER-
14 ESTS.—Paragraph (3) of subsection (a) of
15 section 261 of title 35, United States
16 Code, as so designated by paragraph
17 (1)(B)(i) of this subsection, shall—

18 (I) take effect on the effective
19 date described in subparagraph (A);
20 and

21 (II) apply with respect to any
22 patent issuance, assignment, grant, or
23 conveyance that occurs on or after the
24 effective date described in subclause
25 (I).

1 (b) RULES.—Not later than 1 year after the date of
2 enactment of this Act, the Under Secretary of Commerce
3 for Intellectual Property and Director of the United States
4 Patent and Trademark Office (referred to in this section
5 as the “Director”) shall issue rules that accomplish the
6 following:

7 (1)(A) Define the term “certain rights or inter-
8 ests in a patent” for the purposes of subsection
9 (a)(3) of section 261 of title 35, United States Code,
10 as so designated by subsection (a)(1) of this section.

11 (B) For the purposes of subparagraph (A), the
12 Director may review rules defining the term “bene-
13 ficial owner” issued by other Federal entities and
14 agencies, including the Committee on Foreign In-
15 vestment in the United States, the Department of
16 the Treasury, and the Securities and Exchange
17 Commission.

18 (2) Establish procedures for the proper record-
19 ing of interests in patents that—

20 (A) provide for—

21 (i) notice of any error in a request
22 submitted under subsection (a)(2) of sec-
23 tion 261 of title 35, United States Code,
24 as so designated by subsection (a)(1) of
25 this section; and

1 (ii) an opportunity to correct an error
 2 described in clause (i) not later than 60
 3 days after the date on which the Director
 4 notifies the submitting party regarding the
 5 error; and

6 (B) describe—

7 (i) which types of errors described in
 8 subparagraph (A)(i) are eligible for correc-
 9 tion without having to change the date of
 10 submission of the original request; and

11 (ii) which types of errors described in
 12 subparagraph (A)(i) must result in a new
 13 request with a new submission date.

14 (3) Implement section 124 of title 35, United
 15 States Code, as added by subsection (a)(1) of this
 16 section, including by imposing a penalty for a failure
 17 to disclose funding provided by a governmental enti-
 18 ty, as required under such section 124.

19 (4) Otherwise implement the amendments made
 20 by subsection (a)(1).

21 (c) REGISTER.—Not later than 2 years after the date
 22 of enactment of this Act, the Director shall, with respect
 23 to the register described in subsection (a)(2) of section
 24 261 of title 35, United States Code, as so designated by
 25 subsection (a)(1) of this section, create a publicly acces-

- 1 sible database that is digitally searchable with fields based
- 2 on patent number, assignee, assignor, assignment date,
- 3 and other criteria determined by the Director.

