

**[DISCUSSION DRAFT]**

MAY 23, 2013

113TH CONGRESS  
1ST SESSION**H. R.** \_\_\_\_\_

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

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**IN THE HOUSE OF REPRESENTATIVES**

M. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

**A BILL**

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,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 **["\_\_\_\_\_ Act of 2013"]**.

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

Sec. 1. Short title; table of contents.

- Sec. 2. Definitions.  
Sec. 3. Incentivizing settlement in patent litigation.  
Sec. 4. Transparency of Patent Ownership.  
Sec. 5. Customer-suit exception.  
Sec. 6. Procedures and Practices to Implement and Recommendations to 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  
Invents Act.  
Sec. 10. Effective Date.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) DIRECTOR.—The term “Director” means  
4 the Under Secretary of Commerce for Intellectual  
5 Property and Director of the United States Patent  
6 and Trademark Office.

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

9 **SEC. 3. INCENTIVIZING SETTLEMENT IN PATENT LITIGA-**  
10 **TION.**

11 (a) AMENDMENT.—Chapter 29 of title 35, United  
12 States Code, is amended by inserting after section 285 the  
13 following new section:

14 **“§ 285A. Award of costs and attorney’s fees after an**  
15 **offer of settlement**

16 **“(a) SETTLEMENT OFFER.—**In an action involving  
17 the validity or infringement of a patent (including a coun-  
18 terclaim or cross claim), any party may, at any time not  
19 less than 10 days before trial, serve upon any adverse  
20 party a written offer to settle a claim or claims for money

1 or property or to the effect specified in the offer, including  
2 a motion to dismiss all claims, and to enter into a stipula-  
3 tion dismissing the claim or claims or allowing judgment  
4 to be entered according to the terms of the offer. Any such  
5 offer, together with proof of service thereof, shall be filed  
6 with the clerk of the court.

7 “(b) NOTICE OF ACCEPTANCE.—If the party receiv-  
8 ing an offer under subsection (a) serves written notice on  
9 the offeror that the offer is accepted, either party may  
10 then file with the clerk of the court the notice of accept-  
11 ance, together with proof of service thereof.

12 “(c) MULTIPLE OFFERS; INADMISSIBILITY.—The  
13 fact that an offer under subsection (a) is made but not  
14 accepted does not preclude a subsequent offer under sub-  
15 section (a). Evidence of an offer is not admissible for any  
16 purpose except in proceedings to enforce a settlement or  
17 to determine costs and expenses under this section.

18 “(d) CLAIM EXEMPTION.—At any time before judg-  
19 ment is entered, the court, upon its own motion or upon  
20 the motion of any party, may exempt from this section  
21 any claim that the court finds presents a question of law  
22 or fact that is novel or that substantially affects non-  
23 parties. If a claim is exempted from this section, all offers  
24 made by any party under subsection (a) with respect to  
25 that claim shall be void and have no effect.

1           “(e) PETITION FOR PAYMENT OF COSTS AND EX-  
2 PENSES.—If all offers made by a party under subsection  
3 (a) with respect to a claim or claims, including any motion  
4 to dismiss all claims, are not accepted and the judgment,  
5 verdict, or order finally issued (other than costs, expenses,  
6 and attorney’s fees incurred after judgment or trial) in  
7 the action under this section is not more favorable to the  
8 offeree with respect to the claim or claims than the last  
9 such offer, the offeror may file with the court, within 10  
10 days after the final judgment, verdict, or order is issued,  
11 a petition for payment of costs and expenses, including  
12 attorney’s fees, incurred with respect to the claim or  
13 claims on or after the date the last such offer was made  
14 or, if the offeree made an offer under this section, on or  
15 after the date the last such offer by the offeree was made.

16           “(f) ORDER TO PAY COSTS AND EXPENSES.—

17           “(1) IN GENERAL.—Except as provided in para-  
18 graph (2), if the court finds, pursuant to a petition  
19 filed under subsection (e) with respect to a claim or  
20 claims, that the judgment, verdict, or order finally  
21 obtained is not more favorable to the offeree with re-  
22 spect to the claim or claims than the last offer made  
23 under this section, the court shall order the offeree  
24 to pay the offeror’s costs and expenses, including at-  
25 torneys’ fees, incurred with respect to the claim or

1 claims on or after the date the last offer was made  
2 or, if the offeree made an offer under this section,  
3 on or after the date the last such offer by the offeree  
4 was made.

5 “(2) EXCEPTIONS.—The court may not order  
6 the offeree to pay the offeror’s costs and expenses  
7 described in paragraph (1) if the court finds that—

8 “(A) requiring the payment of such costs  
9 and expenses would be manifestly unjust; or

10 “(B) the offeree’s rejection of the offer was  
11 substantially justified.

12 “(3) LIMITATION ON ATTORNEY’S FEES.—At-  
13 torney’s fees under this subsection shall be a reason-  
14 able attorney’s fee attributable to the claim or  
15 claims involved, calculated on the basis of an hourly  
16 rate that may not exceed that which the court con-  
17 sidered acceptable in the community in which the at-  
18 torney practices law, taking into account the attor-  
19 ney’s qualifications and experience and the com-  
20 plexity of the case, except that the attorney’s fees  
21 under this subsection may not exceed—

22 “(A) the actual cost incurred by the offeree  
23 for an attorney’s fee payable to an attorney for  
24 services in connection with the claim or claims;  
25 or

1           “(B) if no such cost was incurred by the  
2           offeree due to a contingency fee agreement, a  
3           reasonable cost that would have been incurred  
4           by the offeree for an attorney’s noncontingent  
5           fee payable to an attorney for services in con-  
6           nection with the claim or claims.

7           “(g) **EQUITABLE REMEDY.**—This section does not  
8           apply to any claim seeking an equitable remedy.”.

9           (b) **CONFORMING AMENDMENT.**—The table of sec-  
10          tions for chapter 29 of title 35, United States Code, is  
11          amended by inserting after the item relating to section  
12          285 the following new item:

          “285A. Award of costs and attorney’s fees after an offer of settlement.”.

13          (c) **EFFECTIVE DATE.**—The amendments made by  
14          this section shall take effect on the date of the enactment  
15          of this Act and shall apply to any action for which a com-  
16          plaint is filed on or after such date of enactment.

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

18          (a) **REMEDY FOR INFRINGEMENT OF PATENT.**—

19                  (1) **AMENDMENTS.**—Section 281 of title 35,  
20          United States Code, is amended—

21                          (A) by striking “A patentee” and inserting  
22                          “(a) **REMEDY.**—A patentee”; and

23                          (B) by adding at the end the following new  
24          subsections:

1       “(b) INITIAL DISCLOSURE.—A patentee filing a civil  
2 action under subsection (a) shall disclose to the Patent  
3 and Trademark Office, the court, and each adverse party  
4 each person, parent corporation, or other entity, other  
5 than the patentee, that the patentee knows to have, during  
6 the 6-year period ending on the date on which the action  
7 is filed—

8               “(1) a financial interest in—

9                       “(A) the patent or patents at issue; or

10                      “(B) a party to the civil action; or

11               “(2) any other interest that could be substan-  
12 tially affected by the outcome of the proceeding.

13       “(c) FINANCIAL INTEREST DEFINED.—In this sec-  
14 tion, the term ‘financial interest’ has the meaning given  
15 that term in section 455(d)(4) of title 28.”.

16               (2) EFFECTIVE DATE.—The amendments made  
17 by this section shall take effect upon the expiration  
18 of the 6-month period beginning on the date of the  
19 enactment of this Act and shall apply to any action  
20 for which a complaint is filed on or after such effec-  
21 tive date.

22       (b) DISCLOSURE OF INFORMATION RELATED TO  
23 PATENT OWNERSHIP.—

1           (1) AMENDMENT.—Chapter 26 of title 35,  
2           United States Code, is amended by adding at the  
3           end the following new section:

4   **“§ 263. Disclosure of Information Related to Patent**  
5                           **Ownership**

6           “(a) DEMAND LETTER DISCLOSURE.—Any entity  
7           that sends 20 or more demand letters relating to a patent  
8           issued under this title during a 365-day period shall, with-  
9           in 30 days after the date on which the first such letter  
10          is sent, submit to the Patent and Trademark Office with  
11          respect to each patent that was the subject in each such  
12          letter the following:

13                   “(1) Identification of the patent and confirma-  
14                   tion that the entity who sent the letter is the owner  
15                   of the patent (or a representative of such person)  
16                   and is the last recorded entity in the records of the  
17                   Patent and Trademark Office for purposes of as-  
18                   signment, grant, or conveyance under this chapter.

19                   “(2) Identification of the entity that has the  
20                   right to license the patent or, in the case of a patent  
21                   already exclusively licensed, the name of the exclu-  
22                   sive licensee.

23                   “(3) Identification of each entity asserting a  
24                   claim with regard to a patent in such letter in ac-  
25                   cordance with subsection (b).

1           “(4) In the case of a patent that has been li-  
2           censed, an identification of each licensee.

3           “(5) Identification of each obligation to license  
4           the patent on reasonable and nondiscriminatory  
5           terms, including a copy of each letter of assurance  
6           to each standard-setting organization with respect to  
7           such obligation, and the financial terms, including  
8           the rate, at which such patent has been licensed pur-  
9           suant to such obligation.

10           “(6) Identification of the ultimate parent entity  
11           of such entity.

12           “(7) Any required registration fee established  
13           with regard to this section.

14           “(b) IDENTIFICATION.—

15           “(1) PUBLICLY TRADED.—For purposes of sub-  
16           section (a)(3), if the entity to be identified is owned  
17           or controlled by a corporation traded on a public  
18           stock exchange, an identification of the publicly  
19           traded corporation and the public stock exchange  
20           shall be sufficient.

21           “(2) NOT PUBLICLY TRADED.—For purposes of  
22           subsection (a)(3), if the entity to be identified is not  
23           owned or controlled by a publicly traded corporation,  
24           the information shall identify—

1           “(A) in the case of a partnership, the  
2           name and address of each partner or other enti-  
3           ty, holding more than a 5 percent share of that  
4           partnership;

5           “(B) in the case of a corporation, the loca-  
6           tion of incorporation and the name of each offi-  
7           cer of the corporation;

8           “(C) in the case of an entity that is di-  
9           rectly or indirectly controlled by another entity,  
10          the name and address of the entity and each  
11          other entity, and the name, address, location of  
12          incorporation, and each officer or partner of the  
13          entity and each other entity; and

14          “(D) for each individual, the name and ad-  
15          dress of that individual.

16          “(c) FAILURE TO COMPLY.—

17                 “(1) MONETARY SANCTIONS.—Any entity that  
18                 does not meet the requirements of this section with  
19                 regard to a patent may be subject to monetary sanc-  
20                 tions by a court in an action brought by such entity  
21                 with regard to infringement or validity of such pat-  
22                 ent, for an amount to be awarded to the adverse  
23                 party that covers any cost incurred by the adverse  
24                 party resulting from the failure of such entity to  
25                 meet the requirements of this section, including any

1 reasonable cost incurred by such adverse party to  
2 discover the correct and complete information de-  
3 scribed under subsection (a) with regard to such  
4 patent, unless such sanctions would be unjust.

5 “(2) AWARD OF DAMAGES OR FEES.—A court  
6 in a case involving monetary sanctions described in  
7 paragraph (1) may not award treble damages under  
8 the second undesignated paragraph of section 284 or  
9 attorney’s fees under section 285 to the entity de-  
10 scribed in paragraph (1), unless the denial of such  
11 damages or fees would be manifestly unjust.

12 “(d) ONGOING DUTY TO CORRECT OR SUPPLE-  
13 MENT.—An entity described in subsection (a) shall update  
14 any filing made pursuant to such subsection with correct  
15 information not later than 90 days after any change in  
16 the information described under subsection (a).

17 “(e) DEFINITIONS.—In this section:

18 “(1) DEMAND LETTER RELATING TO A PAT-  
19 ENT.—The term ‘demand letter relating to a patent’  
20 means any written communication directed to an un-  
21 affiliated third party stating or indicating, directly  
22 or indirectly, that the intended recipient or anyone  
23 affiliated with that recipient is infringing a patent,  
24 or may bear liability or owe compensation to another  
25 because of such patent.

1           “(2) ULTIMATE PARENT ENTITY.—

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

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

10           (2) CONFORMING AMENDMENT.—The table of  
11           sections for chapter 26 of title 35, United States  
12           Code, is amended by adding at the end the following  
13           new item:

“263. Disclosure of Information Related to Patent Ownership.”.

14           (3) REGULATIONS.—The Director may promul-  
15           gate such regulations as are necessary to establish  
16           a registration fee in an amount sufficient to recover  
17           the estimated costs of administering section 263 of  
18           title 35, United States Code, as added by paragraph  
19           (1), to facilitate the collection and maintenance of  
20           the information required by such section, and to en-  
21           sure the timely disclosure of such information to the  
22           public.

23           (4) EFFECTIVE DATE.—The amendments made  
24           by this section shall take effect upon the expiration  
25           of the 6-month period beginning on the date of the

1 enactment of this Act and shall apply to any demand  
2 letters relating to patents issued on or after that  
3 date.

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

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

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

8 “(a) DEFINITIONS.—In this section:

9 “(1) COVERED MANUFACTURER.—The term  
10 ‘covered manufacturer’ means a person that is the  
11 manufacturer or principal supplier in the United  
12 States of a product or the user of a manufacturing  
13 process, and activity by another with respect to such  
14 product or the useful end result of such process is  
15 alleged to infringe a patent in a civil action.

16 “(2) PRODUCT.—The term ‘product’ means any  
17 machine, manufacture, or composition of matter,  
18 and includes a component, material, or apparatus.

19 “(b) INTERVENTION.—In any civil action in which a  
20 party asserts a claim for relief arising under any Act of  
21 Congress relating to patents, the court shall grant a mo-  
22 tion by a covered manufacturer with respect to the patent  
23 at issue to intervene as a defendant.

24 “(c) STAY.—

1           “(1) IN GENERAL.—In any civil action in which  
2           a party asserts a claim for relief arising under any  
3           Act of Congress relating to patents, if the require-  
4           ment under paragraph (2) is met, the court shall  
5           grant a motion filed by a party, that is not the cov-  
6           ered manufacturer with respect to the patent at  
7           issue or an entity that controls, is controlled by, or  
8           is under common control with such manufacturer to  
9           stay such a claim with regard to such party if the  
10          party is accused of infringing the patent at issue  
11          solely by—

12                   “(A) using, selling, or offering to sell the  
13                   patented product that is made or supplied by  
14                   such manufacturer or the useful end result of  
15                   the patented process that is used by such man-  
16                   ufacturer;

17                   “(B) using the patented process that is im-  
18                   plemented by a product that is especially made  
19                   or adapted by such manufacturer to implement  
20                   the process and that lacks substantial non-  
21                   infringing use, or using the useful end result of  
22                   such process that is implemented by such prod-  
23                   uct;

24                   “(C) selling or offering to sell the product  
25                   that is especially made or adapted by such man-

1           ufacturer to implement the patented process  
2           and that lacks substantial noninfringing use, or  
3           selling or offering to sell the useful end result  
4           of such process that is implemented by such  
5           product;

6           “(D) making, importing, using, selling, or  
7           offering to sell a product the manufacture, im-  
8           portation, use, sale, or offer for sale (as the  
9           case may be) of which would not infringe the  
10          patent at issue but for its incorporation of a  
11          product that is especially made or adapted by  
12          such manufacturer for use in practicing the in-  
13          vention and that lacks substantial noninfringing  
14          use; or

15          “(E) engaging only in an act described in  
16          any of subparagraphs (A) through (D) while  
17          also inducing others to make an infringing use,  
18          sale, or offer to sell with respect to the patented  
19          invention.

20          “(2) REQUIREMENT FOR STAY OF ACTION.—A  
21          stay may be granted under this subsection only if  
22          the covered manufacturer with regard to the patent  
23          at issue—

24                 “(A) is a party to the action; or

1           “(B) is not a party to the action to be  
2           stayed and the same patent at issue that is  
3           being asserted in the action to be stayed is the  
4           subject of a second action that is either an ac-  
5           tion for a declaratory judgment of invalidity or  
6           noninfringement that was filed by such manu-  
7           facturer or an infringement action that was  
8           filed against such manufacturer, and such sec-  
9           ond action was filed not later than six months  
10          after the service of the complaint in the action  
11          to be stayed.

12          “(3) SATISFACTION OF JUDGMENT.—A motion  
13          to stay an action under this section shall be denied  
14          upon a showing that it is reasonably likely that the  
15          covered manufacturer would not satisfy a judgment  
16          of damages for infringement of the patent.

17          “(d) INJUNCTION; DISCOVERY.—Notwithstanding a  
18          stay entered under this section—

19                 “(1) a court that issues injunctive relief against  
20                 a covered manufacturer may extend such relief to  
21                 other parties to the action; and

22                 “(2) a court may allow discovery directed solely  
23                 at identifying other parties, products, or processes  
24                 that may infringe a patent at issue.

1       “(e) REVIEW PROCEEDINGS.—If a stay is entered  
2 under subsection (c)(2)(B), sections 315(a) and 325(a)  
3 shall not apply to a petition filed by the covered manufac-  
4 turer under section 311 or 321 (as the case may be) for  
5 review of a patent claim the validity of which the manufac-  
6 turer has challenged in the second action referred to in  
7 subsection (c)(2)(B).

8       “(f) LIFT OF STAY.—A stay entered under this sec-  
9 tion shall be lifted upon the grant of a motion brought  
10 by any party based upon a showing that a party other  
11 than the covered manufacturer in the civil action that is  
12 stayed is the principal developer or designer of the alleg-  
13 edly infringing product or process. In the case of a stay  
14 entered under subsection (c)(2)(B), a motion under this  
15 subsection may be brought only in the court in which the  
16 second action was filed.

17       “(g) APPEAL.—The United States Court of Appeals  
18 for the Federal Circuit may, in its discretion, permit an  
19 interlocutory appeal of a stay entered under this section  
20 in order to reconcile conflicting interpretations of this sec-  
21 tion by the district courts or as is otherwise necessary in  
22 the interests of justice.”.

23       (b) CONFORMING AMENDMENT.—The table of sec-  
24 tions for chapter 29 of title 35, United States Code, is

1 amended by striking the item relating to section 296 and  
2 inserting the following:

“296. Stay of action against customer.”.

3 (c) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall take effect on the date of the enactment  
5 of this Act and shall apply to any action filed on or after  
6 such date of enactment.

7 **SEC. 6. PROCEDURES AND PRACTICES TO IMPLEMENT AND**  
8 **RECOMMENDATIONS TO THE JUDICIAL CON-**  
9 **FERENCE.**

10 (a) **JUDICIAL CONFERENCE RECOMMENDATIONS ON**  
11 **DISCOVERY BURDENS AND COSTS.**—

12 (1) **RECOMMENDATIONS.**—Not later than 6  
13 months after the date of the enactment of this Act,  
14 the Judicial Conference of the United States shall  
15 develop specific recommendations for rules and pro-  
16 cedures for the requirements described in paragraph  
17 (2) to address the asymmetries in discovery burdens  
18 and costs in any civil action arising under any Act  
19 of Congress relating to patents. Such rules and pro-  
20 cedures shall include how and when payment for dis-  
21 covery in addition to the discovery of core documen-  
22 tary evidence is to occur, and what information must  
23 be presented to demonstrate financial capacity be-  
24 fore permitting discovery in addition to core docu-  
25 mentary evidence.

1           (2) RULES AND PROCEDURES TO BE CONSID-  
2           ERED.—The specific recommendations required  
3           under paragraph (1) shall include each of the fol-  
4           lowing requirements:

5                   (A) DISCOVERY OF CORE DOCUMENTARY  
6           EVIDENCE.—Each party to the action is enti-  
7           tled to receive core documentary evidence and  
8           shall be responsible for the costs of producing  
9           core documentary evidence within the posses-  
10          sion or control of each such party.

11                   (B) ADDITIONAL DISCOVERY.—

12                   (i) IN GENERAL.—Each party to the  
13           action may seek any additional discovery  
14           otherwise permitted under the Federal  
15           Rules of Civil Procedure, if such party  
16           bears the costs, including reasonable attor-  
17           ney’s fees, of the additional discovery.

18                   (ii) REQUIREMENTS FOR ADDITIONAL  
19           DISCOVERY.—Unless the parties mutually  
20           agree otherwise, no party shall be per-  
21           mitted additional discovery unless such  
22           party posts a bond, or provides other secu-  
23           rity for payment of the costs, in an amount  
24           sufficient to cover the expected costs of  
25           such additional discovery.

1 (iii) LIMITS ON ADDITIONAL DIS-  
2 COVERY.—A court, upon motion, may de-  
3 termine that a request for additional dis-  
4 covery is excessive, irrelevant, or otherwise  
5 abusive and may set limits on such addi-  
6 tional discovery.

7 (C) DISCOVERY SEQUENCE AND SCOPE.—  
8 The parties shall discuss and address in the  
9 written report filed pursuant to Rule 26(f) of  
10 the Federal Rules of Civil Procedure the views  
11 and proposals of each party on the following:

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

14 (ii) Whether additional discovery will  
15 be sought under subparagraph (B).

16 (iii) Any issues about infringement,  
17 invalidity, or damages that, if resolved be-  
18 fore the additional discovery described in  
19 subsection (c) commences, might simplify  
20 or streamline the case, including the iden-  
21 tification of any terms or phrases relating  
22 to any patent claim at issue to be con-  
23 strued by the court and whether the early  
24 construction of any of those terms or  
25 phrases would be helpful.

1           (3) CORE DOCUMENTARY EVIDENCE DE-  
2 FINED.—In this subsection, the term “core docu-  
3 mentary evidence”—

4           (A) means documents relating to—

5           (i) the conception of, reduction to  
6 practice of, and application for, the patent  
7 or patents at issue;

8           (ii) the technical operation of the  
9 product or process identified in the com-  
10 plaint as infringing the patent or patents  
11 at issue;

12           (iii) potentially invalidating prior art;

13           (iv) any licensing of the patent or pat-  
14 ents at issue before the date on which the  
15 complaint is filed;

16           (v) revenue generated by each product  
17 or process allegedly infringing the patent  
18 or patents at issue;

19           (vi) statements of the financial re-  
20 sources of each party;

21           (vii) each party’s organizational own-  
22 ership and structure, including identifica-  
23 tion of any person or entity that has any  
24 financial interest in the patent or patents  
25 at issue;

1 (viii) any knowledge by the accused  
2 infringer of the patent or patents at issue  
3 before the date on which the complaint is  
4 filed; and

5 (ix) any marking or other notice pro-  
6 vided of the patent or patents at issue; and

7 (B) does not include computer code or  
8 electronic communication, including any email,  
9 text message, instant message, or other form of  
10 electronic communication.

11 (b) JUDICIAL CONFERENCE RECOMMENDATIONS ON  
12 CASE MANAGEMENT.—Not later than 6 months after the  
13 date of the enactment of this Act, the Judicial Conference  
14 of the United States shall recommend case management  
15 procedures to be implemented by the district courts for  
16 any civil action arising under any Act of Congress relating  
17 to patents, including initial disclosure and early case man-  
18 agement conference practices—

19 (1) that will identify any potential dispositive  
20 issues of the case; and

21 (2) that focus on early summary judgment mo-  
22 tions when resolution of issues may lead to expedited  
23 disposition of the case.

24 (c) REVISION OF FORM FOR PATENT INFRINGE-  
25 MENT.—

1           (1) ELIMINATION OF FORM.—The Supreme  
2 Court shall eliminate Form 18 in the Appendix to  
3 the Federal Rules of Civil Procedure (relating to  
4 Complaint for Patent Infringement), effective on the  
5 date of the enactment of this Act.

6           (2) REVISED FORM.—The Supreme Court may  
7 prescribe a new form or forms setting out model al-  
8 legations of patent infringement that, at a minimum,  
9 notify accused infringers of the asserted claim or  
10 claims, the products or services accused of infringe-  
11 ment, and the plaintiff’s theory for how each ac-  
12 cused product or service meets each limitation of  
13 each asserted claim. The Judicial Conference should  
14 exercise the authority under section 2073 of title 28,  
15 United States Code, to make recommendations with  
16 respect to such new form or forms.

17          (d) ATTORNEY FEES.—Section 285 of title 35,  
18 United States Code, is amended by striking “in excep-  
19 tional cases”.

20          (e) PROTECTION OF INTELLECTUAL-PROPERTY LI-  
21 CENSES IN BANKRUPTCY.—

22           (1) IN GENERAL.—Section 1520(a) of title 11,  
23 United States Code, is amended—

24                   (A) in paragraph (3), by striking “; and”  
25                   and inserting a semicolon;

1 (B) in paragraph (4), by striking the pe-  
2 riod at the end and inserting “; and”; and

3 (C) by inserting at the end the following  
4 new paragraph:

5 “(5) section 365(n) applies to intellectual prop-  
6 erty of which the debtor is a licensor or which the  
7 debtor has transferred.”.

8 (2) EFFECTIVE DATE.—The amendments made  
9 by this subsection shall take effect on the date of the  
10 enactment of this Act and shall apply to any case  
11 that is filed on or after, or pending on, such date  
12 of enactment.

13 **SEC. 7. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-**  
14 **FORMATION ACCESS.**

15 (a) SMALL BUSINESS EDUCATION AND OUT-  
16 REACH.—

17 (1) RESOURCES FOR SMALL BUSINESS.—Using  
18 existing resources, the Director shall develop edu-  
19 cational resources for small businesses to address  
20 concerns arising from patent infringement.

21 (2) SMALL BUSINESS PATENT OMBUDSMAN.—  
22 The Patent Ombudsman Program established under  
23 section 28 of the Leahy-Smith America Invents Act  
24 (Public Law 112–29; 125 Stat. 339; 35 U.S.C. 2  
25 note) shall coordinate with the existing small busi-

1       ness outreach programs of the Office to provide edu-  
2       cation and awareness on abusive patent litigation  
3       practices.

4       (b) IMPROVING INFORMATION TRANSPARENCY FOR  
5       SMALL BUSINESS AND THE UNITED STATES PATENT AND  
6       TRADEMARK OFFICE USERS.—

7           (1) WEBSITE.—Using existing resources, the  
8       Director shall create a user-friendly section on the  
9       official website of the Office to notify the public  
10      when a patent case is brought in Federal court and  
11      with regard to each patent at issue in such case, the  
12      Director shall include—

13           (A) information disclosed pursuant to  
14      paragraphs (1) through (6) of section 263(a) of  
15      title 35, United States Code, as added by sec-  
16      tion 4(b) of this Act;

17           (B) information disclosed pursuant to sub-  
18      section (b) of section 281 of title 35, United  
19      States Code, as added by section 4(a) of this  
20      Act; and

21           (C) any other information the Director de-  
22      termines to be relevant. Such information shall  
23      be searchable by patent number, patent art  
24      area, and entity to promote accessibility for the  
25      public.



1 pants of such markets, to ensure that the mar-  
2 ket is a level playing field and that brokers  
3 making the market have the requisite expertise  
4 and adhere to ethical business practices; and

5 (D) to examine the requirements placed on  
6 other markets.

7 (2) SUBMISSION OF STUDY.—Not later than  
8 seven months after the date of the enactment of this  
9 Act, the Director shall submit a report to the Com-  
10 mittee on the Judiciary of the House of Representa-  
11 tives and the Committee on the Judiciary of the  
12 Senate on the findings and recommendations of the  
13 Director from the study required under paragraph  
14 (1).

15 (b) STUDY ON PATENTS OWNED BY THE UNITED  
16 STATES GOVERNMENT.—

17 (1) STUDY REQUIRED.—The Director, in con-  
18 sultation with the heads of relevant agencies and  
19 stakeholders, shall, using existing resources of the  
20 Office, carry out a study on patents owned by the  
21 United States Government that—

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

1 (B) provides legislative and administrative  
2 recommendations on whether there should be  
3 restrictions placed on patents acquired from the  
4 United States Government;

5 (C) examines whether or not each relevant  
6 agency maintains adequate records on the pat-  
7 ents owned by such agency, specifically when  
8 such agency addresses licensing, assignment,  
9 and Government grants for technology related  
10 to such patents; and

11 (D) provides recommendations to ensure  
12 that each relevant agency has an adequate  
13 point of contact that is responsible for man-  
14 aging the patent portfolio of the agency.

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

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

24 (1) GAO STUDY.—The Comptroller General of  
25 the United States shall conduct a study on patent

1 examination at the Office and the technologies avail-  
2 able to improve examination and improve patent  
3 quality.

4 (2) CONTENTS OF THE STUDY.—The study re-  
5 quired under paragraph (1) shall include the fol-  
6 lowing:

7 (A) An examination of patent quality at  
8 the Office.

9 (B) An examination on ways to improve  
10 quality, specifically through technology, that  
11 shall include examining best practices at foreign  
12 patent offices and the use of existing off-the-  
13 shelf technologies to improve patent examina-  
14 tion.

15 (C) A description of how patents are clas-  
16 sified.

17 (D) Office procedures in place to prevent  
18 double patenting through filing by applicants in  
19 multiple art areas.

20 (E) An examination of the types of off-the-  
21 shelf prior art databases and search software  
22 used by foreign patent offices and governments,  
23 particularly in Europe and Asia, and whether  
24 those databases and search tools could be used  
25 by the Office to improve patent examination.

1 (F) Any other areas the Comptroller Gen-  
2 eral determines to be relevant.

3 (3) REPORT TO CONGRESS.—Not later than 6  
4 months after the date of the enactment of this Act,  
5 the Comptroller General shall submit to the Com-  
6 mittee on the Judiciary of the House of Representa-  
7 tives and the Committee on the Judiciary of the  
8 Senate a report on the results of the study required  
9 by this subsection, including recommendations for  
10 any changes to laws and regulations that will im-  
11 prove the examination of patent applications.

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

14 (a) REPEAL OF CIVIL ACTION TO OBTAIN A PAT-  
15 ENT.—

16 (1) REPEAL.—Section 145 of title 35, United  
17 States Code, is repealed.

18 (2) CONFORMING AMENDMENTS.—

19 (A) FEDERAL CIRCUIT JURISDICTION.—  
20 Section 1295(a)(4) of title 28, United States  
21 Code, is amended—

22 (i) in subparagraph (A), by striking  
23 “except that an applicant or a party” and  
24 all that follows through the end of the sub-  
25 paragraph and inserting the following: “ex-

1           cept that a party to a derivation pro-  
2           ceeding may also have remedy by civil ac-  
3           tion pursuant to section 146 of title 35; an  
4           appeal under this subparagraph of a deci-  
5           sion of the Board with respect to a deriva-  
6           tion proceeding shall waive the right of  
7           such party to proceed under section 146 of  
8           title 35;” and

9                   (ii) in subparagraph (C), by striking  
10           “section 145, 146, or” and inserting “sec-  
11           tion 146 or”.

12           (B) FEDERAL CIRCUIT APPEAL.—Section  
13           141(a) of title 35, United States Code, is  
14           amended—

15                   (i) by striking “may appeal the  
16           Board’s decision to” and inserting “may  
17           appeal the Board’s decision only to”; and

18                   (ii) by striking the second sentence.

19           (C) ADJUSTMENT OF PATENT TERM.—Sec-  
20           tion 154(b)(1)(A)(iii) of title 35, United States  
21           Code, is amended by striking “section 141, 145,  
22           or 146” and inserting “section 141 or 146”.

23           (D) CLERICAL AMENDMENT.—The table of  
24           sections for chapter 13 of title 35, United

1 States Code, is amended by repealing the item  
2 relating to section 145.

3 (3) EFFECTIVE DATE.—The amendments made  
4 by this subsection shall apply to any proceeding in  
5 which a decision is made by the Patent Trial and  
6 Appeal Board on or after the date of the enactment  
7 of this Act.

8 (b) POST-GRANT REVIEW AMENDMENT.—Section  
9 325(e)(2) of title 35, United States Code is amended by  
10 striking “or reasonably could have raised”.

11 (c) USE OF DISTRICT-COURT CLAIM CONSTRUCTION  
12 IN POST-GRANT AND INTER PARTES REVIEWS.—

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

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

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

19 (C) by inserting at the end the following  
20 new paragraph:

21 “(14) providing that for all purposes under this  
22 chapter, each claim of a patent shall be construed as  
23 such claim has been or would be in a civil action to  
24 invalidate a patent under section 282, including con-  
25 struing each claim of the patent in accordance with

1 the ordinary and customary meaning of such claim  
2 as understood by one of ordinary skill in the art, the  
3 prosecution history pertaining to the patent, and  
4 prior judicial determinations and stipulations relat-  
5 ing to the patent.”.

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

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

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

12 (C) by inserting at the end the following  
13 new paragraph:

14 “(13) providing that for all purposes under this  
15 chapter, each claim of a patent shall be construed as  
16 such claim has been or would be in a civil action to  
17 invalidate a patent under section 282, including con-  
18 struing each claim of the patent in accordance with  
19 the ordinary and customary meaning of such claim  
20 as understood by one of ordinary skill in the art, the  
21 prosecution history pertaining to the patent, and  
22 prior judicial determinations and stipulations relat-  
23 ing to the patent.”.

24 (3) EFFECTIVE DATE.—The amendments made  
25 by this subsection shall take effect upon the expira-

1       tion of the 90-day period beginning on the date of  
2       the enactment of this Act, and shall apply to any  
3       proceeding under chapter 31 or 32 of title 35,  
4       United States Code, for which the petition for review  
5       is filed on or after such effective date.

6       (d) CODIFICATION OF THE DOUBLE-PATENTING  
7       DOCTRINE FOR FIRST-INVENTOR-TO-FILE PATENTS.—

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

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

12       “A claimed invention of a patent issued under section  
13       151 (referred to as the ‘first patent’) that is not prior art  
14       to a claimed invention of another patent (referred to as  
15       the ‘second patent’) shall be considered prior art to the  
16       claimed invention of the second patent for the purpose of  
17       determining the non-obviousness of the claimed invention  
18       of the second patent under section 103 if—

19               “(1) the effective filing date of the claimed in-  
20       vention of the first patent is on or before the effec-  
21       tive filing date of the claimed invention of the second  
22       patent;

23               “(2) the—

24                       “(A) first and second patents name the  
25       same inventor; or

1           “(B) claimed invention of the first patent  
2           would constitute prior art to the claimed inven-  
3           tion of the second patent under section  
4           102(a)(2) if an exception under section  
5           102(b)(2) did not apply and, if applicable, if  
6           both claimed inventions did not have the same  
7           effective filing date; and

8           “(3) the patentee of the second patent has not  
9           disclaimed the rights to enforce the second patent  
10          independently from, and beyond the statutory term  
11          of, the first patent.”.

12           (2) REGULATIONS.—The Director shall promul-  
13          gate regulations setting forth the form and content  
14          of any disclaimer required for a patent to be issued  
15          in compliance with section 106 of title 35, United  
16          States Code, as added by paragraph (1).

17           (3) CONFORMING AMENDMENT.—The table of  
18          sections for chapter 10 of title 35, United States  
19          Code, is amended by adding at the end the following  
20          new item:

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

21           (4) EFFECTIVE DATE.—The amendments made  
22          by this subsection shall take effect on the date of the  
23          enactment of this Act and shall apply only if both  
24          the first and second patents described in section 106  
25          of title 35, United States Code, as added by para-

1 graph (1), are patents that are described in section  
2 3(n)(1) of the Leahy-Smith America Invents Act (35  
3 U.S.C. 100 note).

4 (e) DEFINITION CONSTRUCTION AND AMEND-  
5 MENT.—

6 (1) DEFINITION CONSTRUCTION.—Section  
7 18(d) of the Leahy-Smith America Invents Act shall  
8 be construed consistently with the institution deci-  
9 sion of the Patent Trial and Appeal Board of the  
10 United States Patent and Trademark Office in *SAP*  
11 *America, Inc. v. Versata Dev. Group, Inc.*,  
12 CBM2012–00001, Paper 36 (January 9, 2013).

13 (2) EFFECTIVE DATE.—Paragraph (1) shall  
14 take effect on the date of the enactment of this Act  
15 and shall apply in all proceedings filed on or after,  
16 or pending on, such date of enactment.

17 (3) SECTION 18(A).—Section 18(a) of the  
18 Leahy-Smith America Invents Act (35 U.S.C. 321  
19 note) is amended by striking paragraph (3), effective  
20 on the date of the enactment of this Act.

21 (f) CLARIFICATION OF LIMITS ON PATENT TERM AD-  
22 JUSTMENT.—

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

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

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

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

13 (D) by striking the matter following clause  
14 (iii).

15 (2) EFFECTIVE DATE.—The amendments made  
16 by this subsection shall apply to all applications and  
17 patents that are filed or pending on or after the date  
18 of the enactment of this Act.

19 (g) TECHNICAL CORRECTIONS.—

20 (1) NOVELTY.—

21 (A) AMENDMENT.—Section 102(b)(1)(A)  
22 of title 35, United States Code, is amended by  
23 striking “the inventor or joint inventor or by  
24 another” and inserting “the inventor or a joint  
25 inventor or another”.

1           (B) **EFFECTIVE DATE.**—The amendment  
2           made by subparagraph (A) shall be effective as  
3           if included in the amendment made by section  
4           3(b) of the Leahy-Smith America Invents Act  
5           (Public Law 112–29).

6           (2) **SPECIFICATION.**—Notwithstanding section  
7           4(e) of the Leahy-Smith America Invents Act (Pub-  
8           lic Law 112–29; 125 Stat. 297), the amendments  
9           made by subsections (c) and (d) of section 4 of such  
10          Act shall apply to all applications and patents, and  
11          in all proceedings and matters, that are filed on or  
12          after, or pending on, the date of the enactment of  
13          this Act.

14 **SEC. 10. EFFECTIVE DATE.**

15          Except as otherwise provided in this Act, the provi-  
16          sions of this Act shall take effect on the date of the enact-  
17          ment of this Act, and shall apply to any patent issued on  
18          or after that effective date.