

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 9  
OFFERED BY MR. GOODLATTE OF VIRGINIA**

Strike all after the enacting clause and insert the following:

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

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

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

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

**6 SEC. 2. DEFINITIONS.**

7 In this Act:

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

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

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

4           (a) PLEADING REQUIREMENTS.—

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

8   **“§ 281A. Pleading requirements for patent infringe-**  
9                                   **ment actions**

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

18                 “(1) An identification of each patent allegedly  
19                 infringed.

20                 “(2) An identification of all claims necessary to  
21                 produce the identification (under paragraph (3)) of  
22                 each process, machine, manufacture, or composition  
23                 of matter (referred to in this section as an ‘accused  
24                 instrumentality’) that is alleged to infringe any

1 claim of each patent that is identified under para-  
2 graph (1).

3 “(3) For each claim identified under paragraph  
4 (2), an identification of each accused instrumentality  
5 alleged to infringe the claim.

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

9 “(A) the name or model number (or a rep-  
10 resentative model number) of each accused in-  
11 strumentality; or

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

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

17 “(A) where each element of each claim  
18 identified under paragraph (2) is found within  
19 the accused instrumentality; and

20 “(B) with detailed specificity, how each  
21 limitation of each claim identified under para-  
22 graph (2) is met by the accused instrumen-  
23 tality.

24 “(6) For each claim of indirect infringement, a  
25 description of the acts of the alleged indirect in-

1 fringer that contribute to or are inducing the direct  
2 infringement.

3 “(7) A description of the authority of the party  
4 alleging infringement to assert each patent identified  
5 under paragraph (1) and of the grounds for the  
6 court’s jurisdiction.

7 “(b) INFORMATION NOT READILY ACCESSIBLE.—If  
8 information required to be disclosed under subsection (a)  
9 is not readily accessible to a party after an inquiry reason-  
10 able under the circumstances, as required by Rule 11 of  
11 the Federal Rules of Civil Procedure, that information  
12 may instead be generally described, along with an expla-  
13 nation of why such undisclosed information was not read-  
14 ily accessible, and of any efforts made by such party to  
15 access such information.

16 “(c) AMENDMENT OF PLEADINGS.—Nothing in this  
17 section shall be construed to affect a party’s ability to  
18 amend pleadings as specified in the Federal Rules of Civil  
19 Procedure. Amendments permitted by the court are sub-  
20 ject to the pleading requirements set forth in this section.

21 “(d) CONFIDENTIAL INFORMATION.—A party re-  
22 quired to disclose information described under subsection  
23 (a) may file, under seal, information believed to be con-  
24 fidential, with a motion setting forth good cause for such

1 sealing. If such motion is denied by the court, the party  
2 may seek to file an amended complaint.

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

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

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

10 (b) FEES AND OTHER EXPENSES.—

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

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

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

23 “(b) CERTIFICATION AND RECOVERY.—Upon motion  
24 of any party to the action, the court shall require another  
25 party to the action to certify whether or not the other

1 party will be able to pay an award of fees and other ex-  
2 penses if such an award is made under subsection (a). If  
3 a nonprevailing party is unable to pay an award that is  
4 made against it under subsection (a), the court may make  
5 a party that has been joined under section 299(d) with  
6 respect to such party liable for the unsatisfied portion of  
7 the award.

8 “(c) COVENANT NOT TO SUE.—A party to a civil ac-  
9 tion who asserts a claim for relief arising under any Act  
10 of Congress relating to patents against another party, and  
11 who subsequently unilaterally (i) seeks dismissal of the ac-  
12 tion without consent of the other party and (ii) extends  
13 to such other party a covenant not to sue for infringement  
14 with respect to the patent or patents at issue, may be the  
15 subject of a motion for attorneys fees under subsection  
16 (a) as if it were a non-prevailing party, unless the party  
17 asserting such claim would have been entitled, at the time  
18 that such covenant was extended, to dismiss voluntarily  
19 the action without a court order under Rule 41 of the Fed-  
20 eral Rules of Civil Procedure, or the interests of justice  
21 require otherwise.”.

22 (2) CONFORMING AMENDMENT AND AMEND-  
23 MENT.—

24 (A) CONFORMING AMENDMENT.—The item  
25 relating to section 285 of the table of sections

1           for chapter 29 of title 35, United States Code,  
2           is amended to read as follows:

“285. Fees and other expenses.”.

3           (B) AMENDMENT.—Section 273 of title  
4           35, United States Code, is amended by striking  
5           subsection (f).

6           (C) AMENDMENT.—

7           (i) IN GENERAL.—Section 273 of title  
8           35, United States Code, as amended by  
9           subparagraph (B), is further amended by  
10          striking subsection (g).

11          (ii) EFFECTIVE DATE.—The amend-  
12          ment made by this subparagraph shall be  
13          effective as if included in the amendment  
14          made by section 3(b)(1) of the Leahy-  
15          Smith America Invents Act (Public Law  
16          112–29).

17          (3) EFFECTIVE DATE.—Except as otherwise  
18          provided in this subsection, the amendments made  
19          by this subsection shall take effect on the date of the  
20          enactment of this Act and shall apply to any action  
21          for which a complaint is filed on or after the first  
22          day of the 6-month period ending on that effective  
23          date.

1 (c) JOINDER OF INTERESTED PARTIES.—Section  
2 299 of title 35, United States Code, is amended by adding  
3 at the end the following new subsection:

4 “(d) JOINDER OF INTERESTED PARTIES.—

5 “(1) JOINDER.—Except as otherwise provided  
6 under this subsection, in a civil action arising under  
7 any Act of Congress relating to patents in which  
8 fees and other expenses have been awarded under  
9 section 285 to a prevailing party defending against  
10 an allegation of infringement of a patent claim, and  
11 in which the nonprevailing party alleging infringe-  
12 ment is unable to pay the award of fees and other  
13 expenses, the court shall grant a motion by the pre-  
14 vailing party to join an interested party if such pre-  
15 vailing party shows that the nonprevailing party has  
16 no substantial interest in the subject matter at issue  
17 other than asserting such patent claim in litigation.

18 “(2) LIMITATION ON JOINDER.—

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

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



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

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

7                   “(i) the interested party did not time-  
8                   ly receive the notice required by paragraph  
9                   (3); or

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

18                  “(3) NOTICE REQUIREMENT.—An interested  
19                  party may not be joined under paragraph (1) unless  
20                  it has been provided actual notice, within 30 days  
21                  after the expiration of the time period during which  
22                  a certification under paragraph (4)(B) is required to  
23                  be filed, that the interested party has been identified  
24                  in the initial disclosure under section 290(b) and  
25                  that such party may therefore be an interested party

1 subject to joinder under this subsection. Such notice  
2 shall be provided by the party who subsequently  
3 moves to join the interested party under paragraph  
4 (1), and shall include language that—

5 “(A) identifies the action, the parties  
6 thereto, the patent or patents at issue, and the  
7 pleading or other paper that identified the  
8 party under section 290(b); and

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

13 “(i) fees and other expenses are  
14 awarded in the action against the party al-  
15 leging infringement of the patent or pat-  
16 ents at issue under section 285(a);

17 “(ii) the party alleging infringement is  
18 unable to pay the award of fees and other  
19 expenses;

20 “(iii) the party receiving notice under  
21 this paragraph is determined by the court  
22 to be an interested party; and

23 “(iv) the party receiving notice under  
24 this paragraph has not, within 30 days  
25 after receiving such notice, renounced in

1 writing, and with notice to the court and  
2 the parties to the action, any ownership,  
3 right, or direct financial interest (as de-  
4 scribed in paragraph (4)) that the inter-  
5 ested party has in the patent or patents at  
6 issue.

7 “(4) ADDITIONAL REQUIREMENTS FOR JOIN-  
8 DER.—

9 “(A) INITIAL STATEMENT.—This sub-  
10 section shall not apply to an action unless a  
11 party defending against an allegation of in-  
12 fringement of a patent claim files, not later  
13 than 14 days before the date on which a sched-  
14 uling conference is held or the date on which a  
15 scheduling order is due under Rule 16(b) of the  
16 Federal Rules of Civil Procedure, a statement  
17 that such party holds a good faith belief, based  
18 on publicly available information and any other  
19 information known to such party, that the party  
20 alleging infringement has no substantial inter-  
21 est in the subject matter at issue other than as-  
22 serting the patent in litigation.

23 “(B) CERTIFICATION.—This subsection  
24 shall not apply to an action if the party alleging  
25 infringement files, not later than 45 days after

1           the date on which such party is served with the  
2           initial statement described under subparagraph  
3           (A), a certification that—

4                   “(i) establishes and certifies to the  
5                   court, under oath, that such party will  
6                   have sufficient funds available to satisfy  
7                   any award of reasonable attorney’s fees  
8                   and expenses under section 285 if an  
9                   award is assessed;

10                   “(ii) demonstrates that such party has  
11                   a substantial interest in the subject matter  
12                   at issue other than asserting the patent in  
13                   litigation; or

14                   “(iii) is made under oath that there  
15                   are no other interested parties.

16           “(5) EXCEPTION FOR UNIVERSITY TECH-  
17           NOLOGY TRANSFER ORGANIZATIONS.—This sub-  
18           section shall not apply to a technology transfer orga-  
19           nization whose primary purpose is to facilitate the  
20           commercialization of technologies developed by one  
21           or more institutions of higher education (as defined  
22           in section 101(a) of the Higher Education Act of  
23           1965 (20 U.S.C. 1001(a))) if such technology trans-  
24           fer organization is alleging infringement on behalf of

1 an entity that would not be subject to this sub-  
2 section.

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

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

9 “(B) has a right, including a contingent  
10 right, to enforce or sublicense the patent or pat-  
11 ents at issue; or

12 “(C) has a direct financial interest in the  
13 patent or patents at issue, including the right  
14 to any part of an award of damages or any part  
15 of licensing revenue, except that a person with  
16 a direct financial interest does not include—

17 “(i) an employee of the party alleging  
18 infringement—

19 “(I) whose principal source of in-  
20 come or employment is employment  
21 with the party alleging infringement;  
22 or

23 “(II) whose sole financial interest  
24 in the patent or patents at issue is a

1 salary or hourly wage paid by the  
2 party alleging infringement;

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

11 “(iii) a person whose sole financial in-  
12 terest in the patent or patents at issue is  
13 ownership of an equity or security interest  
14 in the party alleging infringement, unless  
15 such person also has the right or ability to  
16 direct or control (membership on the board  
17 of directors alone is not sufficient to dem-  
18 onstrate such right or ability) the civil ac-  
19 tion.

20 “(7) SUBSTANTIAL INTEREST.—In this sub-  
21 section, the term ‘substantial interest’ includes an  
22 interest in the subject matter of a patent at issue if  
23 the party—

24 “(A) invented the subject matter; or

1           “(B) commercially practices or implements,  
2           made substantial preparations directed particu-  
3           larly to commercially practicing or imple-  
4           menting, or is engaged in research and develop-  
5           ment in, technology in the field of the subject  
6           matter.”.

7           (d) DISCOVERY STAY.—

8           (1) AMENDMENT.—Chapter 29 of title 35,  
9           United States Code, as amended by subsection (a),  
10          is further amended by inserting after section 281A  
11          (as added by such subsection) the following new sec-  
12          tion:

13       **“§ 281B. Stay of discovery pending a preliminary mo-**  
14                               **tion**

15          “(a) IN GENERAL.—Except as provided in subsection  
16          (d), in an action for patent infringement under section  
17          281 or an action for a declaratory judgment that a patent  
18          is invalid or not infringed, discovery shall be stayed if—

19               “(1) the defendant moves to—

20                       “(A) sever a claim or drop a party for  
21                       misjoinder under Rule 21 of the Federal Rules  
22                       of Civil Procedure;

23                       “(B) transfer the action under section  
24                       1404(a) of title 28; or

1                   “(C) transfer or dismiss the action under  
2                   section 1406(a) of title 28; and

3                   “(2) such motion is filed before a responsive  
4                   pleading is due and includes a declaration or other  
5                   evidence in support of the motion.

6                   “(b) EXPIRATION OF STAY.—A stay entered under  
7                   subsection (a) shall expire when the motion that is the  
8                   basis for the stay is decided by the court.

9                   “(c) PRIORITY OF DECISION.—In an action described  
10                  in subsection (a), the court shall decide a motion to sever  
11                  a claim or drop a party for misjoinder under Rule 21 of  
12                  the Federal Rules of Civil Procedure, to transfer under  
13                  section 1404(a) of title 28, or to transfer or dismiss under  
14                  1406(a) of title 28 before the earlier of the date on which  
15                  the court—

16                  “(1) decides any other substantive motion, pro-  
17                  vided however that the court may decide a question  
18                  of its own jurisdiction at any time ; or

19                  “(2) issues a scheduling order under Rule 16(b)  
20                  of the Federal Rules of Civil Procedure.

21                  “(d) EXCEPTION.—

22                  “(1) DISCOVERY NECESSARY TO DECIDE MO-  
23                  TION.—Notwithstanding subsection (a), the court  
24                  may allow such discovery as the court determines to



1 be necessary to decide a motion to sever, drop a  
2 party, dismiss, or transfer.

3 “(2) COMPETITIVE HARM.—Subsections (a) and  
4 (c) shall not apply to an action in which the patentee  
5 requests a preliminary injunction to prevent harm  
6 arising from the manufacture, use, sale, offer for  
7 sale, or importation of an allegedly infringing prod-  
8 uct or process that competes with a product or proc-  
9 ess made, sold, or offered for sale by the patentee.

10 “(3) CONSENT OF THE PARTIES.—The patentee  
11 and an opposing party shall be excluded, in whole or  
12 in part, from the limitations of subsections (a) and  
13 (c) upon such parties’ filing with the court a signed  
14 stipulation agreeing to such exclusion.

15 “(4) FDA AND BIOLOGICAL PRODUCT APPLICA-  
16 TION.—Subsections (a) and (c) shall not apply to an  
17 action that includes a cause of action described  
18 under section 271(e)(2).”.

19 (2) CONFORMING AMENDMENT.—The table of  
20 sections for chapter 29 of title 35, United States  
21 Code, is amended by inserting after the item relating  
22 to section 281A, as added by subsection (a), the fol-  
23 lowing new item:

“281B. Stay of discovery pending a preliminary motion.”.

24 (e) SENSE OF CONGRESS.—It is the sense of Con-  
25 gress that it is an abuse of the patent system and against

1 public policy for a party to send out purposely evasive de-  
2 mand letters to end users alleging patent infringement.  
3 Demand letters sent should, at the least, include basic in-  
4 formation about the patent in question, what is being in-  
5 fringed, and how it is being infringed. Any actions or liti-  
6 gation that stem from these types of purposely evasive de-  
7 mand letters to end users should be considered a fraudu-  
8 lent or deceptive practice and an exceptional circumstance  
9 when considering whether the litigation is abusive.

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

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

15 (2) in the second undesignated paragraph, by  
16 striking “When the damages” and inserting “(b) AS-  
17 SESSMENT BY COURT; TREBLE DAMAGES.—When  
18 the damages”;

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

22 “(c) WILLFUL INFRINGEMENT.—A claimant seeking  
23 to establish willful infringement may not rely on evidence  
24 of pre-suit notification of infringement unless that notifi-  
25 cation identifies with particularity the asserted patent,

1 identifies the product or process accused, identifies the ul-  
2 timate parent entity of the claimant, and explains with  
3 particularity, to the extent possible following a reasonable  
4 investigation or inquiry, how the product or process in-  
5 fringes one or more claims of the patent.”; and

6 (4) in the last undesignated paragraph, by  
7 striking “The court” and inserting “(d) EXPERT  
8 TESTIMONY.—The court”.

9 (g) VENUE.—

10 (1) AMENDMENT.—Subsection (b) of section  
11 1400 of title 28, United States Code, is amended to  
12 read as follows:

13 “(b) VENUE FOR ACTION RELATING TO PATENTS.—  
14 Notwithstanding subsections (b) and (c) of section 1391  
15 of this title, any civil action for patent infringement or  
16 any action for a declaratory judgment that a patent is in-  
17 valid or not infringed may be brought only in a judicial  
18 district—

19 “(1) where the defendant has its principal place  
20 of business or is incorporated;

21 “(2) where the defendant has committed an act  
22 of infringement of a patent in suit and has a regular  
23 and established physical facility;

24 “(3) where the defendant has agreed or con-  
25 sented to be sued;

1           “(4) where the invention claimed in a patent in  
2           suit was conceived or actually reduced to practice;

3           “(5) where significant research and develop-  
4           ment of an invention claimed in a patent in suit oc-  
5           curred at a regular and established physical facility;

6           “(6) where a party has a regular and estab-  
7           lished physical facility that such party controls and  
8           operates and has—

9                   “(A) engaged in management of significant  
10                  research and development of an invention  
11                  claimed in a patent in suit;

12                  “(B) manufactured a product that em-  
13                  bodies an invention claimed in a patent in suit;  
14                  or

15                  “(C) implemented a manufacturing process  
16                  that embodies an invention claimed in a patent  
17                  in suit; or

18           “(7) for foreign defendants that do not meet  
19           the requirements of paragraphs (1) or (2), according  
20           to section 1391(d) of this title.”.

21           (2) MANDAMUS RELIEF.—For the purpose of  
22           determining whether relief may issue under section  
23           1651 of title 28, United States Code, a clearly and  
24           indisputably erroneous denial of a motion under sec-  
25           tion 1406(a) of such title to dismiss or transfer a

1 case on the basis of section 1400(b) of such title  
2 shall be deemed to cause irremediable interim harm.

3 (3) RETAILERS NOT ELIGIBLE FOR CUSTOMER  
4 STAY.—If a defendant does not meet the definition  
5 of a retailer under section 296(a)(6) of title 35,  
6 United States Code, as added by section 5, solely be-  
7 cause the defendant manufactures or causes the  
8 manufacture of the covered product or process in  
9 suit, the retail facilities of such defendant shall not  
10 constitute a regular and established physical facility  
11 for purposes of section 1400(b)(2) of title 28,  
12 United Code, as added by paragraph (1).

13 (4) TELEWORKERS.—The dwelling or residence  
14 of an employee or contractor of a defendant who  
15 works at such dwelling or residence shall not con-  
16 stitute a regular and established physical facility of  
17 the defendant for purposes of section 1400(b)(2) of  
18 title 28, United Code, as added by paragraph (1).

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

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

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

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

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

8 (3) by adding at the end the following new sub-  
9 sections:

10 “(b) INITIAL DISCLOSURE.—

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

17 “(A) The assignee of the patent or patents  
18 at issue.

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

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

25 “(D) The ultimate parent entity of any as-  
26 signee identified under subparagraph (A) and

1 any entity identified under subparagraph (B) or  
2 (C).

3 “(E) A clear and concise description of the  
4 principal business, if any, of the party alleging  
5 infringement.

6 “(F) A list of each complaint filed, of  
7 which the party alleging infringement has  
8 knowledge, that asserts or asserted any of the  
9 patents identified under subparagraph (A).

10 “(G) For each patent identified under sub-  
11 paragraph (A), whether a standard-setting body  
12 has specifically declared such patent to be es-  
13 sential, potentially essential, or having potential  
14 to become essential to that standard-setting  
15 body, and whether the United States Govern-  
16 ment or a foreign government has imposed spe-  
17 cific licensing requirements with respect to such  
18 patent.

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

23 “(c) DISCLOSURE COMPLIANCE.—

24 “(1) PUBLICLY TRADED.—For purposes of sub-  
25 section (b)(1)(C), if the financial interest is held by

1 a corporation traded on a public stock exchange, an  
2 identification of the name of the corporation and the  
3 public exchange listing shall satisfy the disclosure re-  
4 quirement.

5 “(2) NOT PUBLICLY TRADED.—For purposes of  
6 subsection (b)(1)(C), if the financial interest is not  
7 held by a publicly traded corporation, the disclosure  
8 shall satisfy the disclosure requirement if the infor-  
9 mation identifies—

10 “(A) in the case of a partnership, the  
11 name of the partnership and the name and cor-  
12 respondence address of each partner or other  
13 entity that holds more than a 5-percent share  
14 of that partnership;

15 “(B) in the case of a corporation, the  
16 name of the corporation, the location of incor-  
17 poration, the address of the principal place of  
18 business, and the name of each officer of the  
19 corporation; and

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

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

24 “(1) IN GENERAL.—A plaintiff required to sub-  
25 mit information under subsection (b) or a subse-



1       quent owner of the patent or patents at issue shall,  
2       not later than 90 days after any change in the as-  
3       signee of the patent or patents at issue or an entity  
4       described under subparagraph (B) or (D) of sub-  
5       section (b)(1), submit to the Patent and Trademark  
6       Office the updated identification of such assignee or  
7       entity.

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

11               “(A) the plaintiff or subsequent owner  
12      shall not be entitled to recover reasonable fees  
13      and other expenses under section 285 or in-  
14      creased damages under section 284 with respect  
15      to infringing activities taking place during any  
16      period of noncompliance with paragraph (1),  
17      unless the denial of such damages or fees would  
18      be manifestly unjust; and

19               “(B) the court shall award to a prevailing  
20      party accused of infringement reasonable fees  
21      and other expenses under section 285 that are  
22      incurred to discover the updated assignee or en-  
23      tity described under paragraph (1), unless such  
24      sanctions would be unjust.

25               “(e) DEFINITIONS.—In this section:

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

3           “(A) means—

4                   “(i) with regard to a patent or pat-  
5                   ents, the right of a person to receive pro-  
6                   ceeds related to the assertion of the patent  
7                   or patents, including a fixed or variable  
8                   portion of such proceeds; and

9                   “(ii) with regard to the plaintiff, di-  
10                  rect or indirect ownership or control by a  
11                  person of more than 5 percent of such  
12                  plaintiff; and

13          “(B) does not mean—

14                  “(i) ownership of shares or other in-  
15                  terests in a mutual or common investment  
16                  fund, unless the owner of such interest  
17                  participates in the management of such  
18                  fund; or

19                  “(ii) the proprietary interest of a pol-  
20                  icyholder in a mutual insurance company  
21                  or of a depositor in a mutual savings asso-  
22                  ciation, or a similar proprietary interest,  
23                  unless the outcome of the proceeding could  
24                  substantially affect the value of such inter-  
25                  est.

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

4           “(3) ULTIMATE PARENT ENTITY.—

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

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

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

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

17           (c) REGULATIONS.—The Director may promulgate  
18 such regulations as are necessary to establish a registra-  
19 tion fee in an amount sufficient to recover the estimated  
20 costs of administering subsections (b) through (e) of sec-  
21 tion 290 of title 35, United States Code, as added by sub-  
22 section (a), to facilitate the collection and maintenance of  
23 the information required by such subsections, and to en-  
24 sure the timely disclosure of such information to the pub-  
25 lic.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect upon the expiration of the  
3 6-month period beginning on the date of the enactment  
4 of this Act and shall apply to any action for which a com-  
5 plaint is filed on or after such effective date.

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

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

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

10 “(a) DEFINITIONS.—In this section:

11 “(1) COVERED CUSTOMER.—The term ‘covered  
12 customer’ means a retailer or end user that is ac-  
13 cused of infringing a patent or patents in dispute  
14 based on—

15 “(A) the sale, or offer for sale, of a covered  
16 product or covered process without material  
17 modification of the product or process in a  
18 manner that is alleged to infringe a patent or  
19 patents in dispute; or

20 “(B) the use by such retailer, the retailer’s  
21 end user customer, or an end user of a covered  
22 product or covered process without material  
23 modification of the product or process in a  
24 manner that is alleged to infringe a patent or  
25 patents in dispute.

1           “(2) COVERED MANUFACTURER.—The term  
2           ‘covered manufacturer’ means a person that manu-  
3           factures or supplies, or causes the manufacture or  
4           supply of, a covered product or covered process, or  
5           a relevant part thereof.

6           “(3) COVERED PROCESS.—The term ‘covered  
7           process’ means a process, method, or a relevant part  
8           thereof, that is alleged to infringe a patent or pat-  
9           ents in dispute where such process, method, or rel-  
10          evant part thereof is implemented by an apparatus,  
11          material, system, software, or other instrumentality  
12          that is provided by the covered manufacturer.

13          “(4) COVERED PRODUCT.—The term ‘covered  
14          product’ means a product, system, service, compo-  
15          nent, material, or apparatus, or relevant part there-  
16          of, that—

17                 “(A) is alleged to infringe a patent or pat-  
18                 ents in dispute; or

19                 “(B) implements a process alleged to in-  
20                 fringe the patent or patents in dispute.

21          “(5) END USER.—The term ‘end user’ includes  
22          an affiliate of an end user, but does not include an  
23          entity that manufacturers or causes the manufacture  
24          of a covered product or covered process, or a rel-  
25          evant part thereof.

1           “(6) RETAILER.—The term ‘retailer’ means an  
2           entity that generates revenues predominately  
3           through the sale to the public of consumer goods or  
4           services, or an affiliate of such entity, but does not  
5           include an entity that manufactures or causes the  
6           manufacturer of a covered product or covered pro-  
7           cess, or a relevant part thereof.

8           “(b) STAY OF ACTION AGAINST CUSTOMER.—Except  
9           as provided in subsection (d), in any civil action in which  
10          a party asserts a claim for relief arising under any Act  
11          of Congress relating to patents, the court shall grant a  
12          motion to stay at least the portion of the action against  
13          a covered customer related to infringement of a patent in-  
14          volving a covered product or covered process if the fol-  
15          lowing requirements are met:

16           “(1) PARTY TO THE ACTION.—The covered  
17          manufacturer is a party to the action or to a sepa-  
18          rate action (in which a party asserts a claim for re-  
19          lief arising under any Act of Congress relating to  
20          patents) involving the same patent or patents related  
21          to the same covered product or covered process.

22           “(2) AGREEMENT TO BE BOUND BY ISSUES DE-  
23          TERMINED.—The covered customer agrees to be  
24          bound as to issues determined in an action described  
25          in paragraph (1) without a full and fair opportunity

1 to separately litigate any such issue, but only as to  
2 those issues for which all other elements of the com-  
3 mon law doctrine of issue preclusion are met.

4 “(3) DEADLINE TO FILE MOTION.—The motion  
5 is filed after the first pleading in the action but not  
6 later than the later of—

7 “(A) the 120th day after the date on which  
8 the first pleading or paper in the action is  
9 served that specifically identifies the covered  
10 product or covered process as a basis for the  
11 covered customer’s alleged infringement of the  
12 patent and that specifically identifies how the  
13 covered product or covered process is alleged to  
14 infringe the patent; or

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

17 “(4) MANUFACTURER CONSENT IN CERTAIN  
18 CASES.—In a case in which the covered manufac-  
19 turer has been made a party to the action on motion  
20 by the covered customer, the covered manufacturer  
21 and the covered customer consent in writing to the  
22 stay. In any other case in which the covered manu-  
23 facturer did not consent in writing to the stay, the  
24 court may not grant the motion to stay if the stay  
25 would be inconsistent with an indemnity or other

1 agreement between the covered customer and the  
2 covered manufacturer, or if the covered manufac-  
3 turer shows that the covered customer is in a better  
4 position to understand and defend against the claims  
5 of infringement.

6 “(c) LIFT OF STAY.—

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

10 “(A) the action involving the covered man-  
11 ufacturer will not resolve a major issue in the  
12 suit against the covered customer (such as a  
13 covered product or covered process identified in  
14 the motion to lift the stay is not a material part  
15 of the claimed invention or inventions in the  
16 patent or patents in dispute); or

17 “(B) the stay unreasonably prejudices or  
18 would be manifestly unjust to the party seeking  
19 to lift the stay.

20 “(2) SEPARATE MANUFACTURER ACTION IN-  
21 VOLVED.—In the case of a stay entered under this  
22 section based on the participation of the covered  
23 manufacturer in a separate action described in sub-  
24 section (b)(1), a motion under paragraph (1) may  
25 only be granted if the court in such separate action



1 determines that the showing required under para-  
2 graph (1) has been made.

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

6 “(e) WAIVER OF ESTOPPEL EFFECT.—The court  
7 may, upon motion, determine that a consent judgment or  
8 a final non-appealable judgment shall not be binding on  
9 the covered customer with respect to one or more of the  
10 issues that gave rise to the stay based on a showing that  
11 such judgment would unreasonably prejudice or be mani-  
12 festly unjust to the covered customer in light of the cir-  
13 cumstances of the case if, following the grant of a motion  
14 to stay under this section, the covered manufacturer de-  
15 scribed in subsection (b)(1)—

16 “(1) obtains or consents to entry of a consent  
17 judgment relating to such issue that gave rise to the  
18 stay; or

19 “(2) fails to prosecute to a final, non-appealable  
20 judgment such issue that gave rise to the stay.

21 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-  
22 tion shall be construed to limit the ability of a court to  
23 grant any stay, expand any stay granted under this sec-  
24 tion, or grant any motion to intervene, if otherwise per-  
25 mitted by law.”.

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

“296. Stay of action against customer.”.

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

10 **SEC. 6. PROCEDURES AND PRACTICES TO IMPLEMENT REC-**  
11 **COMMENDATIONS OF THE JUDICIAL CON-**  
12 **FERENCE.**

13 (a) PILOT PROGRAM FOR RULES AND PROCEDURES  
14 ON DISCOVERY BURDENS AND COSTS AND CASE MAN-  
15 AGEMENT.—

16 (1) DEFINITIONS.—In this subsection, the term  
17 “electronic communication” means any form of elec-  
18 tronic communication, including email, text message,  
19 and instant message.

20 (2) DEVELOPMENT OF RULES AND PROCE-  
21 DURES.—Not later than 3 months after the date of  
22 the enactment of this Act, the Director of the Ad-  
23 ministrative Office of the United States Courts shall  
24 designate not fewer than 6 of the district courts of  
25 the United States that are participating in the pat-

1 ent cases pilot program established under section 1  
2 of Public Law 111–349 (28 U.S.C.137 note) to de-  
3 velop rules and procedures to implement the pro-  
4 posals described in paragraphs (3) through (5) to  
5 address the asymmetries in discovery burdens and  
6 costs, and to establish case management procedures,  
7 in any civil action arising under any Act of Congress  
8 relating to patents.

9 (3) TYPES OF DISCOVERY RULES AND PROCE-  
10 DURES TO BE CONSIDERED.—The discovery rules  
11 and procedures required under paragraph (2) shall  
12 address each of the following:

13 (A) DISCOVERY OF CORE DOCUMENTARY  
14 EVIDENCE.—Whether and to what extent each  
15 party to the action is entitled to receive core  
16 documentary evidence and should be responsible  
17 for the costs of producing core documentary  
18 evidence within the possession or control of  
19 each such party, and whether and to what ex-  
20 tent each party may seek non-core documentary  
21 discovery as otherwise provided in the Federal  
22 Rules of Civil Procedure.

23 (B) ELECTRONIC COMMUNICATION.—If the  
24 parties request discovery of electronic commu-  
25 nication, how such discovery should be phased

1 to occur relative to the exchange of initial dis-  
2 closures and core documentary evidence, and  
3 appropriate limitations to apply to such dis-  
4 covery.

5 (C) SCOPE OF DOCUMENTARY EVI-  
6 DENCE.—The kinds of evidence that should  
7 constitute “core documentary evidence”.

8 (4) SPECIFIC DISCOVERY RULES AND PROCE-  
9 DURES TO BE CONSIDERED FOR ADDITIONAL DOCU-  
10 MENT DISCOVERY.—The discovery rules and proce-  
11 dures required under paragraph (2) shall address  
12 whether the following provisions, or variations on the  
13 following provisions, should apply:

14 (A) IN GENERAL.—Whether each party to  
15 the action may seek any additional document  
16 discovery otherwise permitted under the Federal  
17 Rules of Civil Procedure beyond core documen-  
18 tary evidence, if such party bears the reason-  
19 able costs, including reasonable attorney’s fees,  
20 of the additional document discovery.

21 (B) REQUIREMENTS FOR ADDITIONAL  
22 DOCUMENT DISCOVERY.—Whether, unless the  
23 parties mutually agree otherwise, no party may  
24 be permitted additional document discovery un-  
25 less such a party posts a bond, or provides

1 other security, in an amount sufficient to cover  
2 the expected costs of such additional document  
3 discovery, or makes a showing to the court that  
4 such party has the financial capacity to pay the  
5 costs of such additional document discovery.

6 (C) GOOD CAUSE MODIFICATION.—Wheth-  
7 er a court, upon motion and for good cause  
8 shown, may modify the requirements of sub-  
9 paragraphs (A) and (B) and any definition of  
10 core documentary evidence.

11 (D) COMPUTER CODE.—Whether a court,  
12 upon motion and for good cause shown, may  
13 determine that computer code should be in-  
14 cluded in the discovery of core documentary evi-  
15 dence, and whether the discovery of computer  
16 code shall occur after the parties have ex-  
17 changed initial disclosures and other core docu-  
18 mentary evidence.

19 (E) DISCOVERY SEQUENCE AND SCOPE.—  
20 Whether the parties shall discuss and address  
21 in the written report filed pursuant to rule  
22 26(f) of the Federal Rules of Civil Procedure  
23 the views and proposals of each party on the  
24 following:

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

3 (ii) Whether additional document dis-  
4 covery described in subparagraphs (A) and  
5 (B) will be sought.

6 (iii) Any issues about infringement,  
7 invalidity, or damages that, if resolved be-  
8 fore the additional document discovery de-  
9 scribed in subparagraphs (A) and (B) com-  
10 mences, might simplify or streamline the  
11 case.

12 (5) CASE MANAGEMENT RULES AND PROCE-  
13 DURES TO BE CONSIDERED.—The rules and proce-  
14 dures required under paragraph (2) shall also ad-  
15 dress case management procedures for any civil ac-  
16 tion arising under any Act of Congress relating to  
17 patents, including initial disclosure and early case  
18 management conference practices that—

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

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

24 (b) IMPLEMENTATION OF RULES AND PROCE-  
25 DURES.—Within 18 months after the designation by the

1 Director of the Administrative Office of the 6 district  
2 courts to develop the rules and procedures pursuant to  
3 subsection (a), the 6 district courts shall complete the de-  
4 velopment of the rules and procedures, and begin to imple-  
5 ment them.

6 (c) EXPANSION OF PILOT PROGRAM FOR RULES AND  
7 PROCEDURES ON DISCOVERY BURDENS AND COSTS AND  
8 CASE MANAGEMENT.—After the rules and procedures de-  
9 veloped by the pilot program pursuant to subsection (a)  
10 have been in effect for at least 2 years, the Judicial Con-  
11 ference of the United States, using existing resources, may  
12 expand the application of some or all of those rules and  
13 procedures to be implemented by all the district courts,  
14 and the United States Court of Federal Claims, for any  
15 civil action arising under any Act of Congress relating to  
16 patents.

17 (d) REVISION OF FORM FOR PATENT INFRINGE-  
18 MENT.—

19 (1) ELIMINATION OF FORM.—The Supreme  
20 Court, using existing resources, shall eliminate Form  
21 18 in the Appendix to the Federal Rules of Civil  
22 Procedure (relating to Complaint for Patent In-  
23 fringement), effective on the date of the enactment  
24 of this Act.

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

12          (e) PROTECTION OF INTELLECTUAL-PROPERTY LI-  
13          CENSES IN BANKRUPTCY.—

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

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

23          (2) TRADEMARKS.—

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



1 (i) in subparagraph (E), by striking  
2 “or”;

3 (ii) in subparagraph (F), by striking  
4 “title 17;” and inserting “title 17; or”; and

5 (iii) by adding after subparagraph (F)  
6 the following new subparagraph:

7 “(G) a trademark, service mark, or trade  
8 name, as those terms are defined in section 45  
9 of the Act of July 5, 1946 (commonly referred  
10 to as the ‘Trademark Act of 1946’) (15 U.S.C.  
11 1127);”.

12 (B) CONFORMING AMENDMENT.—Section  
13 365(n)(2) of title 11, United States Code, is  
14 amended—

15 (i) in subparagraph (B)—

16 (I) by striking “royalty pay-  
17 ments” and inserting “royalty or  
18 other payments”; and

19 (II) by striking “and” after the  
20 semicolon;

21 (ii) in subparagraph (C), by striking  
22 the period at the end of clause (ii) and in-  
23 sserting “; and”; and

24 (iii) by adding at the end the fol-  
25 lowing new subparagraph:

1           “(D) in the case of a trademark, service  
2           mark, or trade name, the licensee shall not be  
3           relieved of any of its obligations to maintain the  
4           quality of the products and services offered  
5           under or in connection with the licensed trade-  
6           mark, service mark, or trade name, and the  
7           trustee shall retain the right to oversee and en-  
8           force quality control for such products or serv-  
9           ices, or both.”.

10           (3) EFFECTIVE DATE.—The amendments made  
11           by this subsection shall take effect on the date of the  
12           enactment of this Act and shall apply to any case  
13           that is pending on, or for which a petition or com-  
14           plaint is filed on or after, such date of enactment.

15 **SEC. 7. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-**  
16 **FORMATION ACCESS.**

17           (a) SMALL BUSINESS EDUCATION AND OUT-  
18 REACH.—

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

23           (2) SMALL BUSINESS PATENT OUTREACH.—The  
24           existing small business patent outreach programs of  
25           the Office, and the relevant offices at the Small

1 Business Administration and the Minority Business  
2 Development Agency, shall provide education and  
3 awareness on abusive patent litigation practices. The  
4 Director may give special consideration to the  
5 unique needs of small firms owned by disabled vet-  
6 erans, service-disabled veterans, women, and minor-  
7 ity entrepreneurs in planning and executing the out-  
8 reach efforts by the Office.

9 (b) IMPROVING INFORMATION TRANSPARENCY FOR  
10 SMALL BUSINESS AND THE UNITED STATES PATENT AND  
11 TRADEMARK OFFICE USERS.—

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

18 (A) information disclosed under sub-  
19 sections (b) and (d) of section 290 of title 35,  
20 United States Code, as added by section 4(a) of  
21 this Act; and

22 (B) any other information the Director de-  
23 termines to be relevant.

24 (2) FORMAT.—In order to promote accessibility  
25 for the public, the information described in para-

1 graph (1) shall be searchable by patent number, pat-  
2 ent art area, and entity.

3 **SEC. 8. STUDIES ON PATENT TRANSACTIONS, QUALITY,**  
4 **AND EXAMINATION.**

5 (a) STUDY ON SECONDARY MARKET OVERSIGHT FOR  
6 PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY  
7 AND ETHICAL BUSINESS PRACTICES.—

8 (1) STUDY REQUIRED.—The Director, in con-  
9 sultation with the Secretary of Commerce, the Sec-  
10 retary of the Treasury, the Chairman of the Securi-  
11 ties and Exchange Commission, the heads of other  
12 relevant agencies, and interested parties, shall, using  
13 existing resources of the Office, conduct a study—

14 (A) to develop legislative recommendations  
15 to ensure greater transparency and account-  
16 ability in patent transactions occurring on the  
17 secondary market;

18 (B) to examine the economic impact that  
19 the patent secondary market has on the United  
20 States;

21 (C) to examine licensing and other over-  
22 sight requirements that may be placed on the  
23 patent secondary market, including on the par-  
24 ticipants in such markets, to ensure that the  
25 market is a level playing field and that brokers

1 in the market have the requisite expertise and  
2 adhere to ethical business practices; and

3 (D) to examine the requirements placed on  
4 other markets.

5 (2) REPORT ON STUDY.—Not later than 18  
6 months after the date of the enactment of this Act,  
7 the Director shall submit a report to the Committee  
8 on the Judiciary of the House of Representatives  
9 and the Committee on the Judiciary of the Senate  
10 on the findings and recommendations of the Director  
11 from the study required under paragraph (1).

12 (b) STUDY ON PATENTS OWNED BY THE UNITED  
13 STATES GOVERNMENT.—

14 (1) STUDY REQUIRED.—The Director, in con-  
15 sultation with the heads of relevant agencies and in-  
16 terested parties, shall, using existing resources of the  
17 Office, conduct a study on patents owned by the  
18 United States Government that—

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

22 (B) provides legislative and administrative  
23 recommendations on whether there should be  
24 restrictions placed on patents acquired from the  
25 United States Government;

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

7 (D) provides recommendations to ensure  
8 that each relevant agency has an adequate  
9 point of contact that is responsible for man-  
10 aging the patent portfolio of the agency.

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

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

20 (1) GAO STUDY.—The Comptroller General of  
21 the United States shall, using existing resources,  
22 conduct a study on patent examination at the Office  
23 and the technologies available to improve examina-  
24 tion and improve patent quality.

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

4                   (A) An examination of patent quality at  
5                   the Office.

6                   (B) An examination of ways to improve  
7                   patent quality, specifically through technology,  
8                   that shall include examining best practices at  
9                   foreign patent offices and the use of existing  
10                  off-the-shelf technologies to improve patent ex-  
11                  amination.

12                  (C) A description of how patents are clas-  
13                  sified.

14                  (D) An examination of procedures in place  
15                  to prevent double patenting through filing by  
16                  applicants in multiple art areas.

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

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

1           (3) REPORT ON STUDY.—Not later than 1 year  
2 after the date of the enactment of this Act, the  
3 Comptroller General shall submit to the Committee  
4 on the Judiciary of the House of Representatives  
5 and the Committee on the Judiciary of the Senate  
6 a report on the findings and recommendations from  
7 the study required by this subsection, including rec-  
8 ommendations for any changes to laws and regula-  
9 tions that will improve the examination of patent ap-  
10 plications and patent quality.

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

12           (1) STUDY REQUIRED.—

13           (A) IN GENERAL.—The Director of the  
14 Administrative Office of the United States  
15 Courts, in consultation with the Director of the  
16 Federal Judicial Center and the United States  
17 Patent and Trademark Office, shall, using ex-  
18 isting resources, conduct a study to examine the  
19 idea of developing a pilot program for patent  
20 small claims procedures in certain judicial dis-  
21 tricts within the existing patent pilot program  
22 mandated by Public Law 111–349.

23           (B) CONTENTS OF STUDY.—The study  
24 under subparagraph (A) shall examine—



1 (i) the necessary criteria for using  
2 small claims procedures;

3 (ii) the costs that would be incurred  
4 for establishing, maintaining, and oper-  
5 ating such a pilot program; and

6 (iii) the steps that would be taken to  
7 ensure that the procedures used in the  
8 pilot program are not misused for abusive  
9 patent litigation.

10 (2) REPORT ON STUDY.—Not later than 1 year  
11 after the date of the enactment of this Act, the Di-  
12 rector of the Administrative Office of the United  
13 States Courts shall submit a report to the Com-  
14 mittee on the Judiciary of the House of Representa-  
15 tives and the Committee on the Judiciary of the  
16 Senate on the findings and recommendations of the  
17 Director of the Administrative Office from the study  
18 required under paragraph (1).

19 (e) STUDY ON DEMAND LETTERS.—

20 (1) STUDY.—The Director, in consultation with  
21 the heads of other appropriate agencies, shall, using  
22 existing resources, conduct a study of the prevalence  
23 of the practice of sending patent demand letters in  
24 bad faith and the extent to which that practice may,

1 through fraudulent or deceptive practices, impose a  
2 negative impact on the marketplace.

3 (2) REPORT TO CONGRESS.—Not later than 1  
4 year after the date of the enactment of this Act, the  
5 Director shall submit a report to the Committee on  
6 the Judiciary of the House of Representatives and  
7 the Committee on the Judiciary of the Senate on the  
8 findings and recommendations of the Director from  
9 the study required under paragraph (1).

10 (3) PATENT DEMAND LETTER DEFINED.—In  
11 this subsection, the term “patent demand letter”  
12 means a written communication relating to a patent  
13 that states or indicates, directly or indirectly, that  
14 the recipient or anyone affiliated with the recipient  
15 is or may be infringing the patent.

16 (f) STUDY ON BUSINESS METHOD PATENT QUAL-  
17 ITY.—

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

22 (2) CONTENTS OF STUDY.—The study required  
23 under paragraph (1) shall focus on examining the  
24 quality of business method patents asserted in suits  
25 alleging patent infringement, and may include an ex-

1 amination of any other areas that the Comptroller  
2 General determines to be relevant.

3 (3) REPORT TO CONGRESS.—Not later than 1  
4 year after the date of the enactment of this Act, the  
5 Comptroller General shall submit to the Committee  
6 on the Judiciary of the House of Representatives  
7 and the Committee on the Judiciary of the Senate  
8 a report on the findings and recommendations from  
9 the study required by this subsection, including rec-  
10 ommendations for any changes to laws or regula-  
11 tions that the Comptroller General considers appro-  
12 priate on the basis of the study.

13 (g) STUDY ON IMPACT OF LEGISLATION ON ABILITY  
14 OF INDIVIDUALS AND SMALL BUSINESSES TO PROTECT  
15 EXCLUSIVE RIGHTS TO INVENTIONS AND DISCOV-  
16 ERIES.—

17 (1) STUDY REQUIRED.—The Director, in con-  
18 sultation with the Secretary of Commerce, the Direc-  
19 tor of the Administrative Office of the United States  
20 Courts, the Director of the Federal Judicial Center,  
21 the heads of other relevant agencies, and interested  
22 parties, shall, using existing resources of the Office,  
23 conduct a study to examine the economic impact of  
24 sections 3, 4, and 5 of this Act, and any amend-  
25 ments made by such sections, on the ability of indi-

1 individuals and small businesses owned by women, vet-  
2 erans, and minorities to assert, secure, and vindicate  
3 the constitutionally guaranteed exclusive right to in-  
4 ventions and discoveries by such individuals and  
5 small business.

6 (2) REPORT ON STUDY.—Not later than 2  
7 years after the date of the enactment of this Act, the  
8 Director shall submit to the Committee on the Judi-  
9 ciary of the House of Representatives and the Com-  
10 mittee on the Judiciary of the Senate a report on  
11 the findings and recommendations of the Director  
12 from the study required under paragraph (1).

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

15 (a) POST-GRANT REVIEW AMENDMENT.—Section  
16 325(e)(2) of title 35, United States Code is amended by  
17 striking “or reasonably could have raised”.

18 (b) REFORM OF PATENT TRIAL AND APPEAL BOARD  
19 PROCEEDINGS.—

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

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

24 (B) in paragraph (13), by striking the pe-  
25 riod at the end and inserting a semicolon; and

1 (C) by adding at the end the following new  
2 paragraphs:

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

5 “(A) each claim of a patent shall be con-  
6 strued as such claim would be in a civil action  
7 to invalidate a patent under section 282(b), in-  
8 cluding construing each claim of the patent in  
9 accordance with the ordinary and customary  
10 meaning of such claim as understood by one of  
11 ordinary skill in the art and the prosecution  
12 history pertaining to the patent; and

13 “(B) if a court has previously construed  
14 the claim or a claim term in a civil action in  
15 which the patent owner was a party, the Office  
16 shall consider such claim construction; and

17 “(15) providing that a review may not be insti-  
18 tuted unless the petitioner certifies that the peti-  
19 tioner and the real parties in interest of the peti-  
20 tioner—

21 “(A) do not own and will not acquire a fi-  
22 nancial instrument (including a prepaid variable  
23 forward contract, equity swap, collar, or ex-  
24 change fund) that is designed to hedge or offset  
25 any decrease in the market value of an equity

1 security of the patent owner or an affiliate of  
2 the patent owner, during a period following the  
3 filing of the petition to be determined by the  
4 Director; and

5 “(B) have not demanded payment, mone-  
6 tary or otherwise, from the patent owner or an  
7 affiliate of the patent owner in exchange for a  
8 commitment not to file a petition under section  
9 311 with respect to the patent that is the sub-  
10 ject of the petition, unless the petitioner or the  
11 real party in interest of the petitioner has been  
12 sued for or charged with infringement of the  
13 patent, during a period to be determined by the  
14 Director.”.

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

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

19 (B) in paragraph (12), by striking the pe-  
20 riod at the end and inserting a semicolon; and

21 (C) by adding at the end the following new  
22 paragraphs:

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

1           “(A) each claim of a patent shall be con-  
2           strued as such claim would be in a civil action  
3           to invalidate a patent under section 282(b), in-  
4           cluding construing each claim of the patent in  
5           accordance with the ordinary and customary  
6           meaning of such claim as understood by one of  
7           ordinary skill in the art and the prosecution  
8           history pertaining to the patent; and

9           “(B) if a court has previously construed  
10          the claim or a claim term in a civil action in  
11          which the patent owner was a party, the Office  
12          shall consider such claim construction; and

13          “(14) providing that a review may not be insti-  
14          tuted unless the petitioner certifies that the peti-  
15          tioner and the real parties in interest of the peti-  
16          tioner—

17                 “(A) do not own and will not acquire a fi-  
18                 nancial instrument (including a prepaid variable  
19                 forward contract, equity swap, collar, or ex-  
20                 change fund) that is designed to hedge or offset  
21                 any decrease in the market value of an equity  
22                 security of the patent owner or an affiliate of  
23                 the patent owner, during a period following the  
24                 filing of the petition to be determined by the  
25                 Director; and

1           “(B) have not demanded payment, mone-  
2           etary or otherwise, from the patent owner or an  
3           affiliate of the patent owner in exchange for a  
4           commitment not to file a petition under section  
5           311 with respect to the patent that is the sub-  
6           ject of the petition, unless the petitioner or the  
7           real party in interest of the petitioner has been  
8           sued for or charged with infringement of the  
9           patent, during a period to be determined by the  
10          Director.”.

11          (3) TECHNICAL AND CONFORMING AMEND-  
12          MENT.—Section 18(a)(1)(A) of the Leahy-Smith  
13          America Invents Act (Public Law 112–29; 126 Stat.  
14          329; 35 U.S.C. 321 note) is amended by striking  
15          “Section 321(c)” and inserting “Sections 321(c) and  
16          326(a)(13)”.

17          (4) DECLARATION EVIDENCE.—

18                 (A) PRELIMINARY RESPONSE TO PETITION  
19                 FOR INTER PARTES REVIEW.—Section 313 of  
20                 title 35, United States Code, is amended by  
21                 striking the period at the end and inserting “,  
22                 including affidavits or declarations of sup-  
23                 porting evidence and opinions.”.

24                 (B) PRELIMINARY RESPONSE TO PETITION  
25                 FOR POST-GRANT REVIEW.—Section 323 of title



1           35, United States Code, is amended by striking  
2           the period at the end and inserting “, including  
3           affidavits or declarations of supporting evidence  
4           and opinions.”.

5           (5) RIGHT OF DUE PROCESS.—

6                   (A) INTER PARTES REVIEW.—Section  
7           316(b) of title 35, United States Code, is  
8           amended by striking “and the ability” and in-  
9           serting “the rights to due process of the patent  
10          owner and the petitioner, and the ability”.

11                   (B) POST-GRANT REVIEW.—Section 326(b)  
12          of title 35, United States Code, is amended by  
13          striking “and the ability” and inserting “the  
14          rights to due process of the patent owner and  
15          the petitioner, and the ability”.

16           (6) SERIAL OR REDUNDANT PETITIONS.—The  
17          Director shall designate as precedential (and may  
18          change the designation as the Director determines to  
19          be appropriate), with respect to the application of  
20          subsections (d) and (e) of section 325 of title 35,  
21          United States Code, the decisions of the Patent  
22          Trial and Appeal Board in each of the following de-  
23          cisions:

1 (A) *Dell Inc. v. Electronics and Telecomms.*  
2 *Research Inst.*, IPR2015–00549, Paper 10  
3 (PTAB Mar. 26, 2015).

4 (B) *Zimmer Holdings, Inc. v. Bonutti Skel-*  
5 *etal Innovations LLC*, IPR2014–01080, Paper  
6 17 (PTAB Oct. 31, 2014).

7 (C) *Prism Pharma Co., Ltd. v. Choongwae*  
8 *Pharma Corp.*, IPR2014–00315, Paper 14  
9 (PTAB July 8, 2014).

10 (D) *Unilever, Inc. v. The Procter & Gamble*  
11 *Co.*, IPR2014–00506, Paper 17 (PTAB July 7,  
12 2014).

13 (7) PRELIMINARY RESPONSE TO INTER PARTES  
14 REVIEW AMENDMENT.—

15 (A) AMENDMENT.—Section 313 of title 35,  
16 United States Code, is amended by adding at  
17 the end the following new sentence: “The Direc-  
18 tor may accept a reply by the petitioner to new  
19 issues raised in the preliminary response, upon  
20 request by the petitioner to file such reply,  
21 within a time period set by the Director.”

22 (B) CONFORMING AMENDMENTS.—Section  
23 314 of title 35, United States Code, is amend-  
24 ed—

1 (i) in subsection (a), by striking “any  
2 response” and inserting “any response or  
3 reply”; and

4 (ii) in subsection (b)—

5 (I) in paragraph (1), by striking  
6 “receiving a preliminary response to  
7 the petition” and inserting “receiving  
8 the later of a preliminary response to  
9 the petition or a reply to such prelimi-  
10 nary response”; and

11 (II) by amending paragraph (2)  
12 to read as follows:

13 “(2) if—

14 “(A) no such preliminary response is filed,  
15 the last date on which such response may be  
16 filed; and

17 “(B) such preliminary response is filed and  
18 no such reply is requested, the last day on  
19 which such reply may be requested.”.

20 (8) EFFECTIVE DATE, REGULATIONS, AND  
21 TRANSITION FOR SHORT SALES.—

22 (A) EFFECTIVE DATE.—Sections  
23 316(a)(15) and 326(a)(14) of title 35, United  
24 States Code, as added by paragraphs (1) and

1           (2) shall take effect on the date of the enact-  
2           ment of this Act.

3           (B) REGULATIONS REQUIRED.—Not later  
4           than one year after the date of the enactment  
5           of this Act, the Director shall issue regulations  
6           to carry out sections 316(a)(15) and 326(a)(14)  
7           of title 35, United States Code, as added by  
8           paragraphs (1) and (2).

9           (C) TRANSITION.—During the period that  
10          begins on the date of the enactment of this Act  
11          and ends on the date of the issuance of the reg-  
12          ulations required pursuant to subparagraph  
13          (B), a petition filed under chapter 31 or 32 of  
14          title 35, United States Code, on or after the  
15          date of the enactment of this Act may not be  
16          instituted unless the petitioner certifies that the  
17          petitioner and the real parties in interest of  
18          such petitioner—

19                 (i) do not own a financial instrument  
20                 described in sections 316(a)(15) and  
21                 326(a)(14) of title 35, United States Code,  
22                 as added by paragraphs (1) and (2), dur-  
23                 ing the one-week period following the date  
24                 on which the petition is filed; and

1                   (ii) have not demanded anything of  
2                   value from the patent owner or an affiliate  
3                   of the patent owner during the period be-  
4                   tween September 16, 2012, and the date of  
5                   the filing of the petition.

6                   (9) EFFECTIVE DATE.—Except as otherwise  
7                   provided, the amendments made by this subsection  
8                   shall take effect upon the expiration of the 90-day  
9                   period beginning on the date of the enactment of  
10                  this Act, and shall apply to any proceeding under  
11                  chapter 31 or 32 of title 35, United States Code, as  
12                  the case may be, for which the petition for review is  
13                  filed on or after such effective date.

14                  (c) CODIFICATION OF THE DOUBLE-PATENTING DOC-  
15                  TRINE.—

16                  (1) AMENDMENTS.—

17                         (A) CONDITIONS FOR PATENTABILITY;  
18                         NOVELTY.—Section 102 of title 35, United  
19                         States Code, is amended by inserting at the end  
20                         the following new subsection:

21                         “(e) DOUBLE-PATENTING PRIOR ART.—If a first  
22                         claimed invention in a first patent was effectively filed on  
23                         or before the effective filing date of a second claimed in-  
24                         vention in a second patent or in the application on which  
25                         the second patent issues, and the first claimed invention

1 is not otherwise prior art to the second claimed invention  
2 under this section, then the first claimed invention shall,  
3 notwithstanding the other subsections of this section, con-  
4 stitute prior art to the second claimed invention under this  
5 subsection unless—

6           “(1) the second claimed invention is consonant  
7 with a requirement for restriction under the first  
8 sentence of section 121 with respect to the claims  
9 issued in the first patent; or

10           “(2) an election has been recorded in the Office  
11 by the owner of the second patent or the application  
12 on which the second patent issues disclaiming the  
13 right to bring or maintain a civil action under sec-  
14 tion 281 to enforce the second patent, except that  
15 such disclaimer shall not apply if—

16           “(A) the relief being sought in the civil ac-  
17 tion would not constitute a cause of action  
18 barred by res judicata had the asserted claims  
19 of the second patent been issued in the first  
20 patent; and

21           “(B) the owner of the first patent or the  
22 application on which the first patent issues has  
23 recorded an election limiting the enforcement of  
24 the first patent relative to the second patent in  
25 the manner described in this paragraph, the

1 owner of the first patent is a party to the civil  
2 action, or a separate action under section 281  
3 to enforce the first patent can no longer be  
4 brought or maintained.”.

5 (B) DIVISIONAL APPLICATIONS.—Section  
6 121 of title 35, United States Code, is amended  
7 by striking the third sentence.

8 (C) LIMITATIONS.—Paragraph (2) of sec-  
9 tion 154(b) of title 35, United States Code, is  
10 amended by inserting at the end the following  
11 new subparagraph:

12 “(D) PATENTS SUBJECT TO ELECTION.—  
13 If a patent is subject to an election as described  
14 in section 102(e)(2) with respect to one or more  
15 other patents, the adjusted term of the patent  
16 under this subsection may not exceed a period  
17 of 17 years from the date of issuance of any of  
18 such other patents and the portion of any ad-  
19 justment of the term of the patent under this  
20 subsection that extends beyond the expiration of  
21 such 17-year period years shall be void.”.

22 (2) EFFECTIVE DATE, IMPLEMENTATION, AND  
23 OTHER TRANSITION PROVISIONS.—

24 (A) IN GENERAL.—The amendments made  
25 by paragraph (1) shall be effective as if in-

1           cluded in the amendment made by section  
2           3(b)(1) of the Leahy-Smith America Invents  
3           Act (Public Law 112–29).

4           (B) SAVINGS CLAUSE.—If a second  
5           claimed invention in a second patent issued be-  
6           fore the date of the enactment of this Act is  
7           subject to the amendments made by paragraph  
8           (1) and would not have been invalid had the  
9           amendments made by paragraph (1) and the  
10          provisions of this paragraph not been enacted,  
11          then, notwithstanding section 102(e) of title 35,  
12          United States Code, as added by paragraph (1),  
13          prior art under such section 102(e) may not be  
14          considered in determining the validity of such  
15          second claimed invention.

16          (C) PROVISIONAL REJECTIONS TO CON-  
17          TINUE.—If a first claimed invention in a first  
18          application for patent subject to the amend-  
19          ments under paragraph (1) would, if issued as  
20          a patent, constitute prior art under section  
21          102(e) of title 35, United States Code, as added  
22          by paragraph (1), with respect to a second  
23          claimed invention in a second application, the  
24          first claimed invention may be provisionally  
25          cited by the Office as prior art in a notice



1 under section 132 of title 35, United States  
2 Code, in connection with the examination of the  
3 second claimed invention.

4 (D) PATENT TERM; RULE OF CONSTRUC-  
5 TION.—

6 (i) IN GENERAL.—If the term of a  
7 patent is based upon the amendments  
8 made to subsection (a) of section 154, title  
9 35, United States Code, by the Uruguay  
10 Round Agreements Act (Public Law 103–  
11 465; 108 Stat. 4809)—

12 (I) the patent term as provided  
13 under subsection (a) of such section  
14 154, any adjustment to said term as  
15 provided under subsection (b) of such  
16 section 154, and any extension of  
17 such term as provided under section  
18 156 of title 35, United States Code,  
19 shall not constitute, nor be deemed by  
20 the Office or the courts to constitute,  
21 an unjustified period of protection  
22 under the patent or an unjustified ex-  
23 tension of the right to exclude under  
24 the patent relative to an earlier-expir-  
25 ing patent;

1 (II) the Office shall not condition  
2 the issuance of such a patent on a  
3 disclaimer of any portion of the term  
4 of the patent; and

5 (III) the Office may condition the  
6 issuance of such a patent on the mak-  
7 ing of an election as described in sec-  
8 tion 102(e)(2) of title 35, United  
9 States Code, as added by paragraph  
10 (1) in lieu of the filing of a disclaimer  
11 with respect to the ownership or sepa-  
12 rate enforcement of the patent that  
13 would otherwise be required by the  
14 Office in cases of non-statutory double  
15 patenting.

16 (ii) DISCLAIMERS IN PENDING APPLI-  
17 CATIONS.—A terminal disclaimer made in  
18 connection with an application for patent  
19 with respect to one or more other applica-  
20 tions or patents shall be given no effect  
21 and shall be treated as having never been  
22 made if—

23 (I) within one year after the date  
24 of the enactment of this Act, an elec-  
25 tion as described in section 102(e)(2)

1 of title 35, United State Code, as  
2 added by paragraph (1), has been  
3 made in connection with the applica-  
4 tion or any patent issuing thereon and  
5 has effect with respect to each such  
6 other application or patent with re-  
7 spect to which the disclaimer was  
8 made;

9 (II) the application was pending  
10 before the Office on or after July 1,  
11 2015; and

12 (III) the term of a patent issued  
13 on the application would be based  
14 upon the amendments made to sub-  
15 section (a) of section 154 of title 35,  
16 United States Code, by the Uruguay  
17 Round Agreements Act.

18 (iii) DISCLAIMERS OTHERWISE UNAF-  
19 FECTED.—Except as provided in clause  
20 (ii), nothing in this subsection shall be con-  
21 strued to negate the effect of a terminal  
22 disclaimer limiting the enforcement of a  
23 patent issued on or before the date of the  
24 enactment of this Act.

1 (iv) TERMINAL DISCLAIMER DE-  
2 FINED.—In this subparagraph, the term  
3 “terminal disclaimer” has the meaning as  
4 such term is described in section 1.321 of  
5 title 37, Code of Federal Regulations.

6 (E) EXCLUSIVE RULES.—

7 (i) FIRST-INVENTOR-TO-FILE PAT-  
8 ENTS.—A claimed invention of a patent  
9 described in section 3(n)(1) of the Leahy-  
10 Smith America Invents Act (35 U.S.C. 100  
11 note) and issued before, on, or after the  
12 date of the enactment of this Act may not  
13 be held invalid on any nonstatutory double-  
14 patenting ground.

15 (ii) FIRST-TO-INVENT PATENTS.—A  
16 claimed invention of a patent not described  
17 in section 3(n)(1) of the Leahy-Smith  
18 America Invents Act and issued before, on,  
19 or after the date of the enactment of this  
20 Act may not be held invalid with respect to  
21 a claimed invention of another patent  
22 based on any nonstatutory double pat-  
23 enting ground if one of the claimed inven-  
24 tions is prior art to the other claimed in-  
25 vention under section 102 of title 35,

1 United States Code, as in effect on the day  
2 prior to the effective date of the amend-  
3 ments made by section 3(b)(1) of the  
4 Leahy-Smith America Invents Act.

5 (F) EFFECT OF RULE OF CONSTRUCTION  
6 AND EXCLUSIVE RULES.—Subparagraphs (D)  
7 and (E) shall take effect on the date of the en-  
8 actment of this Act, except that they shall not  
9 apply to any defense raised in a civil action  
10 brought before such date.

11 (d) PTO PATENT REVIEWS.—

12 (1) CLARIFICATION.—

13 (A) SCOPE OF PRIOR ART.—Section  
14 18(a)(1)(C)(i) of the Leahy-Smith America In-  
15 vents Act (35 U.S.C. 321 note) is amended by  
16 striking “section 102(a)” and inserting “sub-  
17 section (a) or (e) of section 102”.

18 (B) EFFECTIVE DATE.—The amendment  
19 made by subparagraph (A) shall take effect on  
20 the date of the enactment of this Act and shall  
21 apply to any proceeding pending on, or filed on  
22 or after, such date of enactment.

23 (2) AUTHORITY TO WAIVE FEE.—Subject to  
24 available resources, the Director may waive payment  
25 of a filing fee for a transitional proceeding described

1 under section 18(a) of the Leahy-Smith America In-  
2 vents Act (35 U.S.C. 321 note).

3 (3) PROCEEDING CONSOLIDATION CLARIFICA-  
4 TION.—Section 315(c) is amended to read as fol-  
5 lows:

6 “(c) JOINDER.—

7 “(1) JOINDER OF PARTY.—If the Director insti-  
8 tutes an inter partes review, the Director, in his or  
9 her discretion, may join as a party to that inter  
10 partes review any person who meets the requirement  
11 of properly filing a petition under section 311 that  
12 the Director, after receiving a preliminary response  
13 under section 313 or the expiration of the time for  
14 filing such a response, determines warrants the in-  
15 stitution of an inter partes review under section 314.

16 “(2) JOINDER OF LATER FILED PETITION.—  
17 For good cause shown, the Director may allow a  
18 party who files a petition that meets the requirement  
19 described in paragraph (1) and concerns the patent  
20 of a pending inter partes review to join the petition  
21 to the pending review.”.

22 (e) CLARIFICATION OF JURISDICTION.—

23 (1) IN GENERAL.—An action or claim arises  
24 under an Act of Congress relating to patents if such  
25 action or claim—

1 (A) necessarily requires resolution of a dis-  
2 puted question as to the validity of a patent or  
3 the scope of a patent claim; or

4 (B) is an action or claim for legal mal-  
5 practice that arises from an attorney's conduct  
6 in relation to an action or claim arising under  
7 an Act of Congress relating to patents (includ-  
8 ing as described in paragraph (1)).

9 (2) APPLICABILITY.—Paragraph (1)—

10 (A) shall apply to all cases filed on or  
11 after, or pending on, the date of the enactment  
12 of this Act; and

13 (B) shall not apply to a case in which a  
14 Federal court has issued a ruling on whether  
15 the case or a claim arises under any Act of  
16 Congress relating to patents or plant variety  
17 protection before the date of the enactment of  
18 this Act.

19 (f) PATENT PILOT PROGRAM IN CERTAIN DISTRICT  
20 COURTS DURATION.—

21 (1) DURATION.—Section 1(c) of Public Law  
22 111–349 (124 Stat. 3674; 28 U.S.C. 137 note) is  
23 amended to read as follows:

24 “(c) DURATION.—The program established under  
25 subsection (a) shall be maintained using existing re-

1 sources, and shall terminate 20 years after the end of the  
2 6-month period described in subsection (b).”.

3 (2) EFFECTIVE DATE.—The amendment made  
4 by paragraph (1) shall take effect on the date of the  
5 enactment of this Act.

6 (g) MANAGEMENT OF THE UNITED STATES PATENT  
7 AND TRADEMARK OFFICE.—

8 (1) IN GENERAL.—Section 3(b)(1) of title 35,  
9 United States Code, is amended in the first sen-  
10 tence—

11 (A) by striking “be vested with the author-  
12 ity to act in the capacity of the” and inserting  
13 “serve as Acting,”; and

14 (B) by inserting before the period “or in  
15 the event of a vacancy in the office of the Di-  
16 rector”.

17 (2) EFFECTIVE DATE.—The amendments made  
18 by paragraph (1) shall take effect on the date of the  
19 enactment of this Act and shall apply with respect  
20 to appointments and vacancies occurring before, on,  
21 or after the date of the enactment of this Act.

22 (h) TECHNICAL CORRECTIONS.—

23 (1) NOVELTY.—

24 (A) AMENDMENT.—Section 102(b)(1)(A)  
25 of title 35, United States Code, is amended by



1 striking “the inventor or joint inventor or by  
2 another” and inserting “the inventor or a joint  
3 inventor or another”.

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

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

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

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

19 (3) ASSIGNEE FILERS.—

20 (A) BENEFIT OF EARLIER FILING DATE;  
21 RIGHT OF PRIORITY.—Section 119(e)(1) of title  
22 35, United States Code, is amended, in the first  
23 sentence, by striking “by an inventor or inven-  
24 tors named” and inserting “that names the in-  
25 ventor or a joint inventor”.

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

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

13 (4) DERIVED PATENTS.—

14 (A) AMENDMENT.—Section 291(b) of title  
15 35, United States Code, is amended by striking  
16 “or joint inventor” and inserting “or a joint in-  
17 ventor”.

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

23 (5) SPECIFICATION.—Notwithstanding section  
24 4(e) of the Leahy-Smith America Invents Act (Pub-  
25 lic Law 112–29; 125 Stat. 297), the amendments

1       made by subsections (c) and (d) of section 4 of such  
2       Act shall apply to any proceeding or matter that is  
3       pending on, or filed on or after, the date of the en-  
4       actment of this Act.

5               (6) TIME LIMIT FOR COMMENCING MISCONDUCT  
6       PROCEEDINGS.—

7               (A) AMENDMENT.—Section 32 of title 35,  
8       United States Code, is amended by striking the  
9       fourth sentence and inserting the following new  
10      sentences: “A proceeding under this section  
11      shall be commenced not later than the earlier of  
12      either the date that is 10 years after the date  
13      on which the misconduct forming the basis for  
14      the proceeding occurred, or 18 months after the  
15      date on which the Director of the Office of En-  
16      rollment and Discipline received a written griev-  
17      ance (as prescribed in the regulations estab-  
18      lished under section 2(b)(2)(D)) about a speci-  
19      fied individual that describes the misconduct  
20      forming the basis for the proceeding. If the mis-  
21      conduct that forms the basis for the proceeding  
22      under this section is at issue in a court or ad-  
23      ministrative-agency proceeding, the 18-month  
24      period for commencing the proceeding under  
25      this section shall be tolled until the court or

1 agency's decision regarding the misconduct be-  
2 comes final and non-appealable. The 18-month  
3 period for commencing a proceeding under this  
4 section also may be tolled by agreement be-  
5 tween the parties.”

6 (B) EFFECTIVE DATE.—The amendment  
7 made by this paragraph shall take effect on the  
8 date of the enactment of this Act and shall  
9 apply to any action in which the Office files a  
10 complaint on or after such date of enactment.

11 (7) PATENT OWNER RESPONSE.—

12 (A) CONDUCT OF INTER PARTES RE-  
13 VIEW.—Paragraph (8) of section 316(a) of title  
14 35, United States Code, is amended by striking  
15 “the petition under section 313” and inserting  
16 “the petition under section 311”.

17 (B) CONDUCT OF POST-GRANT REVIEW.—  
18 Paragraph (8) of section 326(a) of title 35,  
19 United States Code, is amended by striking  
20 “the petition under section 323” and inserting  
21 “the petition under section 321”.

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

25 (8) INTERNATIONAL APPLICATIONS.—

1 (A) AMENDMENTS.—Section 202(b) of the  
2 Patent Law Treaties Implementation Act of  
3 2012 (Public Law 112–211; 126 Stat. 1536) is  
4 amended—

5 (i) by striking paragraph (7); and  
6 (ii) by redesignating paragraphs (8)  
7 and (9) as paragraphs (7) and (8), respec-  
8 tively.

9 (B) EFFECTIVE DATE.—The amendments  
10 made by subparagraph (A) shall be effective as  
11 if included in title II of the Patent Law Trea-  
12 ties Implementation Act of 2012 (Public Law  
13 112–21).

14 (9) GLOBAL WORKSHARING.—

15 (A) AMENDMENT.—Section 122 of title 35,  
16 United States Code, is amended by adding at  
17 the end the following new subsection:

18 “(f) FOREIGN OR INTERNATIONAL FILING.—

19 “(1) PROVISION OF INFORMATION.—The Direc-  
20 tor may provide information concerning an applica-  
21 tion for patent to a foreign or international intellec-  
22 tual property office if a corresponding application is  
23 filed with such foreign or international intellectual  
24 property office. If the corresponding application is  
25 an international application, such information may

1 also be provided to an International Searching Au-  
2 thority, an International Preliminary Examining Au-  
3 thority, or the International Bureau.

4 “(2) DEFINITIONS.—For purposes of this sub-  
5 section, the terms ‘international application’, ‘Inter-  
6 national Searching Authority’, ‘International Pre-  
7 liminary Examining Authority’, and ‘International  
8 Bureau’ have the same meaning given those terms  
9 under section 351.”.

10 (B) CONFORMING AMENDMENT.—Section  
11 122(a) of title 35, United States Code, is  
12 amended by striking “subsection (b)” and in-  
13 serting “subsections (b) and (f)”.

14 (C) EFFECTIVE DATE.—The amendments  
15 made by this paragraph shall take effect on the  
16 date of the enactment of this Act and shall  
17 apply to applications for patent that are pend-  
18 ing on, or filed on or after, such effective date.

19 (10) JURISDICTION FOR APPEALS OF TRADE-  
20 MARK CASES.—

21 (A) COURT OF APPEALS.—Section  
22 1295(a)(4)(C) of title 28, United States Code,  
23 is amended by striking “title 35” and inserting  
24 “title 35 or section 21(b) of the Act of July 5,

1           1946 (commonly referred to as the ‘Trademark  
2           Act of 1946’) (15 U.S.C. 1071(b))”;

3           (B) CONFORMING AMENDMENT.—Section  
4           39(a) of the Act of July 5, 1946 (commonly re-  
5           ferred to as the “Trademark Act of 1946”) (15  
6           U.S.C. 1121(a)) is amended by striking “under  
7           this Act” and inserting “under this Act (except  
8           as provided in section 1295(a)(4) of title 28,  
9           United States Code)”.

10          (C) EFFECTIVE DATE.—The amendment  
11          made by subparagraph (A) shall apply in any  
12          case in which a final judgment is entered by the  
13          district court on or after the date of enactment  
14          of this Act.

15          (11) OFFICERS AND EMPLOYEES AMEND-  
16          MENT.—

17               (A) AMENDMENT.—Section 3(b)(3)(A) of  
18               title 35, United States Code, is amended by  
19               striking “appoint” and inserting “appoint, or  
20               nominate for appointment by the Secretary of  
21               Commerce,”.

22               (B) APPLICABILITY.—Section 3(b)(3)(B)  
23               of title 35, United States Code, as added by  
24               subparagraph (A) shall apply to all officers  
25               nominated for appointment by the Secretary of

1 Commerce before, on, or after the date of the  
2 enactment of this Act.

3 **SEC. 10. EFFECTIVE DATE.**

4 Except as otherwise provided in this Act, the provi-  
5 sions of this Act shall take effect on the date of the enact-  
6 ment of this Act, and shall apply to any patent issued,  
7 or any action filed, on or after that date.

