

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3309
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 and recommendations to the Judicial Conference.
- Sec. 7. Small business education, outreach, and information access.
- Sec. 8. Studies on patent transactions, quality, and examination.
- Sec. 9. Improvements and technical corrections to the Leahy-Smith America Invents Act.
- Sec. 10. Effective date.

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 each claim of each pat-
21 ent identified under paragraph (1) that is allegedly
22 infringed.

23 “(3) For each claim identified under paragraph
24 (2), an identification of each accused process, ma-
25 chine, manufacture, or composition of matter (re-

1 ferred to in this section as an ‘accused instrumen-
2 tality’) alleged to infringe the claim.

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

6 “(A) the name or model number of each
7 accused instrumentality; or

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

10 “(5) For each accused instrumentality identi-
11 fied under paragraph (3), a clear and concise state-
12 ment of—

13 “(A) where each element of each claim
14 identified under paragraph (2) is found within
15 the accused instrumentality; and

16 “(B) with detailed specificity, how each
17 limitation of each claim identified under para-
18 graph (2) is met by the accused instrumen-
19 tality.

20 “(6) For each claim of indirect infringement, a
21 description of the acts of the alleged indirect in-
22 fringer that contribute to or are inducing the direct
23 infringement.

24 “(7) A description of the authority of the party
25 alleging infringement to assert each patent identified

1 under paragraph (1) and of the grounds for the
2 court's jurisdiction.

3 “(8) A clear and concise description of the prin-
4 cipal business, if any, of the party alleging infringe-
5 ment.

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

10 “(10) For each patent identified under para-
11 graph (1), whether a standard-setting body has spe-
12 cifically declared such patent to be essential, poten-
13 tially essential, or having potential to become essen-
14 tial to that standard-setting body, and whether the
15 United States Government or a foreign government
16 has imposed specific licensing requirements with re-
17 spect to such patent.

18 “(b) INFORMATION NOT READILY ACCESSIBLE.—If
19 information required to be disclosed under subsection (a)
20 is not readily accessible to a party, that information may
21 instead be generally described along with an explanation
22 why such undisclosed information was not readily acces-
23 sible, and any efforts made by such party to access such
24 information.

1 “(c) CONFIDENTIAL INFORMATION.—A party re-
2 quired to disclose information described under subsection
3 (a) may file, under seal, information believed to be con-
4 fidential, with a motion setting forth good cause for such
5 sealing. If such motion is denied by the court, the party
6 may seek to file an amended complaint.

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

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

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

14 (b) FEES AND OTHER EXPENSES.—

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

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

18 “(a) AWARD.—The court shall award, to a prevailing
19 party, reasonable fees and other expenses incurred by that
20 party in connection with a civil action in which any party
21 asserts a claim for relief arising under any Act of Con-
22 gress relating to patents, unless the court finds that the
23 position and conduct of the nonprevailing party or parties
24 were substantially justified or that special circumstances
25 make an award unjust.

1 “(b) CERTIFICATION AND RECOVERY.—Upon motion
2 of any party to the action, the court shall require another
3 party to the action to certify whether or not the other
4 party will be able to pay an award of fees and expenses
5 if such an award is made under subsection (a). If a non-
6 prevailing party is unable to pay an award that is made
7 against it under subsection (a), the court may make a
8 party that has been joined under section 299(d) with re-
9 spect to such party liable for the unsatisfied portion of
10 the award.

11 “(c) COVENANT NOT TO SUE.—A party to a civil ac-
12 tion that asserts a claim for relief arising under any Act
13 of Congress relating to patents against another party, and
14 that subsequently unilaterally extends to such other party
15 a covenant not to sue for infringement with respect to the
16 patent or patents at issue, shall be deemed to be a nonpre-
17 vailing party (and the other party the prevailing party)
18 for purposes of this section, unless the party asserting
19 such claim would have been entitled, at the time that such
20 covenant was extended, to voluntarily dismiss the action
21 or claim without a court order under Rule 41 of the Fed-
22 eral Rules of Civil Procedure.”.

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

1 (A) CONFORMING AMENDMENT.—The item
2 relating to section 285 of the table of sections
3 for chapter 29 of title 35, United States Code,
4 is amended to read as follows:

“285. Fees and other expenses.”.

5 (B) AMENDMENT.—Section 273 of title
6 35, United States Code, is amended by striking
7 subsections (f) and (g).

8 (3) EFFECTIVE DATE.—The amendments made
9 by this subsection shall take effect on the date of the
10 enactment of this Act and shall apply to any action
11 for which a complaint is filed on or after the first
12 day of the 6-month period ending on that effective
13 date.

14 (c) JOINDER OF INTERESTED PARTIES.—Section
15 299 of title 35, United States Code, is amended by adding
16 at the end the following new subsection:

17 “(d) JOINDER OF INTERESTED PARTIES.—

18 “(1) JOINDER.—In a civil action arising under
19 any Act of Congress relating to patents in which
20 fees and other expenses have been awarded under
21 section 285 to a prevailing party defending against
22 an allegation of infringement of a patent claim, and
23 in which the nonprevailing party alleging infringe-
24 ment is unable to pay the award of fees and ex-
25 penses, the court shall grant a motion by the pre-

1 vailing party to join an interested party if such pre-
2 vailing party shows that the nonprevailing party has
3 no substantial interest in the subject matter at issue
4 other than asserting such patent claim in litigation.

5 “(2) LIMITATION ON JOINDER.—

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

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

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

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

17 “(i) the interested party did not time-
18 ly receive the notice required by paragraph
19 (3); or

20 “(ii) within 30 days after receiving
21 the notice required by paragraph (3), the
22 interested party renounces, in writing and
23 with notice to the court and the parties to
24 the action, any ownership, right, or direct
25 financial interest (as described in para-

1 graph (4)) that the interested party has in
2 the patent or patents at issue.

3 “(3) NOTICE REQUIREMENT.—An interested
4 party may not be joined under paragraph (1) unless
5 it has been provided actual notice, within 30 days
6 after the date on which it has been identified in the
7 initial disclosure provided under section 290(b), that
8 it has been so identified and that such party may
9 therefore be an interested party subject to joinder
10 under this subsection. Such notice shall be provided
11 by the party who subsequently moves to join the in-
12 terested party under paragraph (1), and shall in-
13 clude language that—

14 “(A) identifies the action, the parties
15 thereto, the patent or patents at issue, and the
16 pleading or other paper that identified the
17 party under section 290(b); and

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

22 “(i) fees and other expenses are
23 awarded in the action against the party al-
24 leging infringement of the patent or pat-
25 ents at issue under section 285(a);

1 “(ii) the party alleging infringement is
2 unable to pay the award of fees and ex-
3 penses;

4 “(iii) the party receiving notice under
5 this paragraph is determined by the court
6 to be an interested party; and

7 “(iv) the party receiving notice under
8 this paragraph has not, within 30 days
9 after receiving such notice, renounced in
10 writing, and with notice to the court and
11 the parties to the action, any ownership,
12 right, or direct financial interest (as de-
13 scribed in paragraph (4)) that the inter-
14 ested party has in the patent or patents at
15 issue.

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

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

22 “(B) has a right, including a contingent
23 right, to enforce or sublicense the patent or pat-
24 ents at issue; or

1 “(C) has a direct financial interest in the
2 patent or patents at issue, including the right
3 to any part of an award of damages or any part
4 of licensing revenue, except that a person with
5 a direct financial interest does not include—

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

14 “(ii) a person whose sole financial in-
15 terest in the patent or patents at issue is
16 ownership of an equity interest in the
17 party alleging infringement, unless such
18 person also has the right or ability to influ-
19 ence, direct, or control the civil action.”.

20 (d) DISCOVERY LIMITS.—

21 (1) AMENDMENT.—Chapter 29 of title 35,
22 United States Code, is amended by adding at the
23 end the following new section:

1 **“§ 299A. Discovery in patent infringement action**

2 “(a) DISCOVERY IN PATENT INFRINGEMENT AC-
3 TION.—Except as provided in subsection (b), in a civil ac-
4 tion arising under any Act of Congress relating to patents,
5 if the court determines that a ruling relating to the con-
6 struction of terms used in a patent claim asserted in the
7 complaint is required, discovery shall be limited, until such
8 ruling is issued, to information necessary for the court to
9 determine the meaning of the terms used in the patent
10 claim, including any interpretation of those terms used to
11 support the claim of infringement.

12 “(b) DISCRETION TO EXPAND SCOPE OF DIS-
13 COVERY.—

14 “(1) TIMELY RESOLUTION OF ACTIONS.—If,
15 under any provision of Federal law (including the
16 amendments made by the Drug Price Competition
17 and Patent Term Restoration Act of 1984 (Public
18 Law 98–417)), resolution within a specified period
19 of time of a civil action arising under any Act of
20 Congress relating to patents will necessarily affect
21 the rights of a party with respect to the patent, the
22 court shall permit discovery, in addition to the dis-
23 covery authorized under subsection (a), before the
24 ruling described in subsection (a) is issued as nec-
25 essary to ensure timely resolution of the action.

1 “(2) RESOLUTION OF MOTIONS.—When nec-
2 essary to resolve a motion properly raised by a party
3 before a ruling relating to the construction of terms
4 described in subsection (a) is issued, the court may
5 allow limited discovery in addition to the discovery
6 authorized under subsection (a) as necessary to re-
7 solve the motion.

8 “(3) SPECIAL CIRCUMSTANCES.—In special cir-
9 cumstances that would make denial of discovery a
10 manifest injustice, the court may permit discovery,
11 in addition to the discovery authorized under sub-
12 section (a), as necessary to prevent the manifest in-
13 justice.”.

14 (2) CONFORMING AMENDMENT.—The table of
15 sections for chapter 29 of title 35, United States
16 Code, is amended by adding at the end the following
17 new item:

“299A. Discovery in patent infringement action.”.

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

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

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

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

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

5 (3) by adding at the end the following new sub-
6 sections:

7 “(b) INITIAL DISCLOSURE.—

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

14 “(A) The assignee of the patent or patents
15 at issue.

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

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

22 “(D) The ultimate parent entity of any as-
23 signee identified under subparagraph (A) and
24 any entity identified under subparagraphs (B)
25 and (C).

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

5 “(c) DISCLOSURE COMPLIANCE.—

6 “(1) PUBLICLY TRADED.—For purposes of sub-
7 section (b)(1)(C), if the financial interest is held by
8 a corporation traded on a public stock exchange, an
9 identification of the name of the corporation and the
10 public exchange listing shall satisfy the disclosure re-
11 quirement.

12 “(2) NOT PUBLICLY TRADED.—For purposes of
13 subsection (b)(1)(C), if the financial interest is not
14 held by a publicly traded corporation, the disclosure
15 shall satisfy the disclosure requirement if the infor-
16 mation identifies—

17 “(A) in the case of a partnership, the
18 name of the partnership and the name and cor-
19 respondence address of each partner or other
20 entity that holds more than a 5-percent share
21 of that partnership;

22 “(B) in the case of a corporation, the
23 name of the corporation, the location of incor-
24 poration, the address of the principal place of

1 business, and the name of each officer of the
2 corporation; and

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

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

7 “(1) IN GENERAL.—A plaintiff required to sub-
8 mit information under subsection (b) or a subse-
9 quent owner of the patent or patents at issue shall,
10 not later than 90 days after any change in the as-
11 signee of the patent or patents at issue or an entity
12 described under subparagraphs (B) and (D) of sub-
13 section (b)(1), submit to the Patent and Trademark
14 Office the updated identification of such assignee or
15 entity.

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

19 “(A) the plaintiff or subsequent owner
20 shall not be entitled to recover reasonable fees
21 and other expenses under section 285 or in-
22 creased damages under section 284 with respect
23 to infringing activities taking place during any
24 period of noncompliance with paragraph (1),

1 unless the denial of such damages or fees would
2 be manifestly unjust; and

3 “(B) the court shall award to a prevailing
4 party accused of infringement reasonable fees
5 and other expenses incurred to discover the up-
6 dated assignee or entity described under para-
7 graph (1), unless such sanctions would be un-
8 just.

9 “(e) DEFINITIONS.—In this section:

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

12 “(A) means—

13 “(i) with regard to a patent or pat-
14 ents, the right of a person to receive pro-
15 ceeds related to the assertion of the patent
16 or patents, including a fixed or variable
17 portion of such proceeds; and

18 “(ii) with regard to the plaintiff, di-
19 rect or indirect ownership or control by a
20 person of more than 5 percent of such
21 plaintiff; and

22 “(B) does not mean—

23 “(i) ownership of shares or other in-
24 terests in a mutual or common investment
25 fund, unless the owner of such interest

1 participates in the management of such
2 fund; or

3 “(ii) the proprietary interest of a pol-
4 icyholder in a mutual insurance company,
5 of a depositor in a mutual savings associa-
6 tion, or a similar proprietary interest, un-
7 less the outcome of the proceeding could
8 substantially affect the value of such inter-
9 est.

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

13 “(3) ULTIMATE PARENT ENTITY.—

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

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

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

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

1 (c) REGULATIONS.—The Director may promulgate
2 such regulations as are necessary to establish a registra-
3 tion fee in an amount sufficient to recover the estimated
4 costs of administering subsections (b) through (e) of sec-
5 tion 290 of title 35, United States Code, as added by sub-
6 section (a), to facilitate the collection and maintenance of
7 the information required by such subsections, and to en-
8 sure the timely disclosure of such information to the pub-
9 lic.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect upon the expiration of the
12 6-month period beginning on the date of the enactment
13 of this Act and shall apply to any action for which a com-
14 plaint is filed on or after such effective date.

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

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

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

19 “(a) STAY OF ACTION AGAINST CUSTOMER.—Except
20 as provided in subsection (d), in any civil action arising
21 under any Act of Congress relating to patents, the court
22 shall grant a motion to stay at least the portion of the
23 action against a covered customer related to infringement
24 of a patent involving a covered product or process if the
25 following requirements are met:

1 “(1) The covered manufacturer and the covered
2 customer consent in writing to the stay.

3 “(2) The covered manufacturer is a party to
4 the action or to a separate action involving the same
5 patent or patents related to the same covered prod-
6 uct or process.

7 “(3) The covered customer agrees to be bound
8 by any issues that the covered customer has in com-
9 mon with the covered manufacturer and are finally
10 decided as to the covered manufacturer in an action
11 described in paragraph (2).

12 “(4) The motion is filed after the first pleading
13 in the action but not later than the later of—

14 “(A) the 120th day after the date on which
15 the first pleading in the action is served that
16 specifically identifies the covered product or
17 process as a basis for the covered customer’s al-
18 leged infringement of the patent and that spe-
19 cifically identifies how the covered product or
20 process is alleged to infringe the patent; or

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

23 “(b) APPLICABILITY OF STAY.—A stay issued under
24 subsection (a) shall apply only to the patents, products,

1 systems, or components accused of infringement in the ac-
2 tion.

3 “(c) LIFT OF STAY.—

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

7 “(A) the action involving the covered man-
8 ufacturer will not resolve a major issue in suit
9 against the covered customer; or

10 “(B) the stay unreasonably prejudices and
11 would be manifestly unjust to the party seeking
12 to lift the stay.

13 “(2) SEPARATE MANUFACTURER ACTION IN-
14 VOLVED.—In the case of a stay entered based on the
15 participation of the covered manufacturer in a sepa-
16 rate action involving the same patent or patents re-
17 lated to the same covered product or process, a mo-
18 tion under this subsection may only be made if the
19 court in such separate action determines the show-
20 ing required under paragraph (1) has been met.

21 “(d) EXEMPTION.—This section shall not apply to an
22 action that includes a cause of action described under sec-
23 tion 271(e).

24 “(e) CONSENT JUDGMENT.—If, following the grant
25 of a motion to stay under this section, the covered manu-

1 factorer seeks or consents to entry of a consent judgment
2 relating to one or more of the common issues that gave
3 rise to the stay, or declines to prosecute through appeal
4 a final decision as to one or more of the common issues
5 that gave rise to the stay, the court may, upon grant of
6 a motion, determine that such consent judgment or
7 unappealed final decision shall not be binding on the cov-
8 ered customer with respect to one or more of such common
9 issues based on a showing that such an outcome would
10 unreasonably prejudice and be manifestly unjust to the
11 covered customer in light of the circumstances of the case.

12 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion shall be construed to limit the ability of a court to
14 grant any stay, expand any stay granted under this sec-
15 tion, or grant any motion to intervene, if otherwise per-
16 mitted by law.

17 “(g) DEFINITIONS.—In this section:

18 “(1) COVERED CUSTOMER.—The term ‘covered
19 customer’ means a party accused of infringing a pat-
20 ent or patents in dispute based on a covered product
21 or process.

22 “(2) COVERED MANUFACTURER.—The term
23 ‘covered manufacturer’ means a person that manu-
24 factures or supplies, or causes the manufacture or

1 supply of, a covered product or process or a relevant
2 part thereof.

3 “(3) COVERED PRODUCT OR PROCESS.—The
4 term ‘covered product or process’ means a product,
5 process, system, service, component, material, or ap-
6 paratus, or relevant part thereof, that—

7 “(A) is alleged to infringe the patent or
8 patents in dispute; or

9 “(B) implements a process alleged to in-
10 fringe the patent or patents in dispute.”.

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

“296. Stay of action against customer.”.

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

20 **SEC. 6. PROCEDURES AND PRACTICES TO IMPLEMENT AND**
21 **RECOMMENDATIONS TO THE JUDICIAL CON-**
22 **FERENCE.**

23 (a) JUDICIAL CONFERENCE RULES AND PROCE-
24 DURES ON DISCOVERY BURDENS AND COSTS.—

1 (1) RULES AND PROCEDURES.—The Judicial
2 Conference of the United States, using existing re-
3 sources, shall develop rules and procedures to imple-
4 ment the issues and proposals described in para-
5 graph (2) to address the asymmetries in discovery
6 burdens and costs in any civil action arising under
7 any Act of Congress relating to patents. Such rules
8 and procedures shall include how and when payment
9 for document discovery in addition to the discovery
10 of core documentary evidence is to occur, and what
11 information must be presented to demonstrate finan-
12 cial capacity before permitting document discovery
13 in addition to the discovery of core documentary evi-
14 dence.

15 (2) RULES AND PROCEDURES TO BE CONSID-
16 ERED.—The rules and procedures required under
17 paragraph (1) should address each of the following
18 issues and proposals:

19 (A) DISCOVERY OF CORE DOCUMENTARY
20 EVIDENCE.—Whether and to what extent each
21 party to the action is entitled to receive core
22 documentary evidence and shall be responsible
23 for the costs of producing core documentary
24 evidence within the possession or control of
25 each such party, and whether and to what ex-

1 tent each party to the action may seek non-
2 documentary discovery as otherwise provided in
3 the Federal Rules of Civil Procedure.

4 (B) ELECTRONIC COMMUNICATION.—If the
5 parties determine that the discovery of elec-
6 tronic communication is appropriate, whether
7 such discovery shall occur after the parties have
8 exchanged initial disclosures and core documen-
9 tary evidence and whether such discovery shall
10 be in accordance with the following:

11 (i) Any request for the production of
12 electronic communication shall be specific
13 and may not be a general request for the
14 production of information relating to a
15 product or business.

16 (ii) Each request shall identify the
17 custodian of the information requested, the
18 search terms, and a time frame. The par-
19 ties shall cooperate to identify the proper
20 custodians, the proper search terms, and
21 the proper time frame.

22 (iii) A party may not submit produc-
23 tion requests to more than 5 custodians,
24 unless the parties jointly agree to modify

1 the number of production requests without
2 leave of the court.

3 (iv) The court may consider contested
4 requests for up to 5 additional custodians
5 per producing party, upon a showing of a
6 distinct need based on the size, complexity,
7 and issues of the case.

8 (v) If a party requests the discovery
9 of electronic communication for additional
10 custodians beyond the limits agreed to by
11 the parties or granted by the court, the re-
12 questing party shall bear all reasonable
13 costs caused by such additional discovery.

14 (C) ADDITIONAL DOCUMENT DISCOVERY.—

15 Whether the following should apply:

16 (i) IN GENERAL.—Each party to the
17 action may seek any additional document
18 discovery otherwise permitted under the
19 Federal Rules of Civil Procedure, if such
20 party bears the reasonable costs, including
21 reasonable attorney's fees, of the additional
22 document discovery.

23 (ii) REQUIREMENTS FOR ADDITIONAL
24 DOCUMENT DISCOVERY.—Unless the par-
25 ties mutually agree otherwise, no party

1 may be permitted additional document dis-
2 covery unless such a party posts a bond, or
3 provides other security, in an amount suffi-
4 cient to cover the expected costs of such
5 additional document discovery, or makes a
6 showing to the court that such party has
7 the financial capacity to pay the costs of
8 such additional document discovery.

9 (iii) LIMITS ON ADDITIONAL DOCU-
10 MENT DISCOVERY.—A court, upon motion,
11 may determine that a request for addi-
12 tional document discovery is excessive, ir-
13 relevant, or otherwise abusive and may set
14 limits on such additional document dis-
15 covery.

16 (iv) GOOD CAUSE MODIFICATION.—A
17 court, upon motion and for good cause
18 shown, may modify the requirements of
19 subparagraphs (A) and (B) and any defini-
20 tion under paragraph (3). Not later than
21 30 days after the pretrial conference under
22 Rule 16 of the Federal Rules of Civil Pro-
23 cedure, the parties shall jointly submit any
24 proposed modifications of the requirements
25 of subparagraphs (A) and (B) and any def-

1 initiation under paragraph (3), unless the
2 parties do not agree, in which case each
3 party shall submit any proposed modifica-
4 tion of such party and a summary of the
5 disagreement over the modification.

6 (v) COMPUTER CODE.—A court, upon
7 motion and for good cause shown, may de-
8 termine that computer code should be in-
9 cluded in the discovery of core documen-
10 tary evidence. The discovery of computer
11 code shall occur after the parties have ex-
12 changed initial disclosures and other core
13 documentary evidence.

14 (D) DISCOVERY SEQUENCE AND SCOPE.—
15 Whether the parties shall discuss and address
16 in the written report filed pursuant to Rule
17 26(f) of the Federal Rules of Civil Procedure
18 the views and proposals of each party on the
19 following:

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

22 (ii) Whether additional document dis-
23 covery will be sought under subparagraph
24 (C).

1 (iii) Any issues about infringement,
2 invalidity, or damages that, if resolved be-
3 fore the additional discovery described in
4 subparagraph (C) commences, might sim-
5 plify or streamline the case, including the
6 identification of any terms or phrases re-
7 lating to any patent claim at issue to be
8 construed by the court and whether the
9 early construction of any of those terms or
10 phrases would be helpful.

11 (3) DEFINITIONS.—In this subsection:

12 (A) CORE DOCUMENTARY EVIDENCE.—The
13 term “core documentary evidence”—

14 (i) includes—

15 (I) documents relating to the
16 conception of, reduction to practice of,
17 and application for, the patent or pat-
18 ents at issue;

19 (II) documents sufficient to show
20 the technical operation of the product
21 or process identified in the complaint
22 as infringing the patent or patents at
23 issue;

24 (III) documents relating to po-
25 tentially invalidating prior art;

1 (IV) documents relating to any
2 licensing of, or other transfer of rights
3 to, the patent or patents at issue be-
4 fore the date on which the complaint
5 is filed;

6 (V) documents sufficient to show
7 profit attributable to the claimed in-
8 vention of the patent or patents at
9 issue;

10 (VI) documents relating to any
11 knowledge by the accused infringer of
12 the patent or patents at issue before
13 the date on which the complaint is
14 filed;

15 (VII) documents relating to any
16 knowledge by the patentee of infringe-
17 ment of the patent or patents at issue
18 before the date on which the com-
19 plaint is filed;

20 (VIII) documents relating to any
21 licensing term or pricing commitment
22 to which the patent or patents may be
23 subject through any agency or stand-
24 ard-setting body; and

1 (IX) documents sufficient to
2 show any marking or other notice pro-
3 vided of the patent or patents at
4 issue; and

5 (ii) does not include computer code,
6 except as specified in paragraph (2)(C)(v).

7 (B) ELECTRONIC COMMUNICATION.—The
8 term “electronic communication” means any
9 form of electronic communication, including
10 email, text message, or instant message.

11 (4) IMPLEMENTATION BY THE DISTRICT
12 COURTS.—Not later than 6 months after the date on
13 which the Judicial Conference has developed the
14 rules and procedures required by this subsection,
15 each United States district court and the United
16 States Court of Federal Claims shall revise the ap-
17 plicable local rules for such court to implement such
18 rules and procedures.

19 (5) AUTHORITY FOR JUDICIAL CONFERENCE TO
20 REVIEW AND MODIFY.—

21 (A) STUDY OF EFFICACY OF RULES AND
22 PROCEDURES.—The Judicial Conference shall
23 study the efficacy of the rules and procedures
24 required by this subsection during the 4-year
25 period beginning on the date on which such

1 rules and procedures by the district courts and
2 the United States Court of Federal Claims are
3 first implemented. The Judicial Conference may
4 modify such rules and procedures following
5 such 4-year period.

6 (B) INITIAL MODIFICATIONS.—Before the
7 expiration of the 4-year period described in sub-
8 paragraph (A), the Judicial Conference may
9 modify the requirements under this sub-
10 section—

11 (i) by designating categories of “core
12 documentary evidence”, in addition to
13 those designated under paragraph (3)(A),
14 as the Judicial Conference determines to
15 be appropriate and necessary; and

16 (ii) as otherwise necessary to prevent
17 a manifest injustice, the imposition of a re-
18 quirement the costs of which clearly out-
19 weigh its benefits, or a result that could
20 not reasonably have been intended by the
21 Congress.

22 (b) JUDICIAL CONFERENCE PATENT CASE MANAGE-
23 MENT.—The Judicial Conference of the United States,
24 using existing resources, shall develop case management
25 procedures to be implemented by the United States dis-

1 triet courts and the United States Court of Federal Claims
2 for any civil action arising under any Act of Congress re-
3 lating to patents, including initial disclosure and early case
4 management conference practices that—

5 (1) will identify any potential dispositive issues
6 of the case; and

7 (2) focus on early summary judgment motions
8 when resolution of issues may lead to expedited dis-
9 position of the case.

10 (c) REVISION OF FORM FOR PATENT INFRINGE-
11 MENT.—

12 (1) ELIMINATION OF FORM.—The Supreme
13 Court, using existing resources, shall eliminate Form
14 18 in the Appendix to the Federal Rules of Civil
15 Procedure (relating to Complaint for Patent In-
16 fringement), effective on the date of the enactment
17 of this Act.

18 (2) REVISED FORM.—The Supreme Court may
19 prescribe a new form or forms setting out model al-
20 legations of patent infringement that, at a minimum,
21 notify accused infringers of the asserted claim or
22 claims, the products or services accused of infringe-
23 ment, and the plaintiff's theory for how each ac-
24 cused product or service meets each limitation of
25 each asserted claim. The Judicial Conference should

1 exercise the authority under section 2073 of title 28,
2 United States Code, to make recommendations with
3 respect to such new form or forms.

4 (d) PROTECTION OF INTELLECTUAL-PROPERTY LI-
5 CENSES IN BANKRUPTCY.—

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

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

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

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

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

17 (2) TRADEMARKS.—

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

20 (i) in subparagraph (E), by striking
21 “or”;

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

24 (iii) by adding after subparagraph (F)
25 the following new subparagraph:

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

6 (B) CONFORMING AMENDMENT.—Section
7 365(n)(2) of title 11, United States Code, is
8 amended—

9 (i) in subparagraph (B)—

10 (I) by striking “royalty pay-
11 ments” and inserting “royalty or
12 other payments”; and

13 (II) by striking “and” after the
14 semicolon;

15 (ii) in subparagraph (C), by striking
16 the period at the end of clause (ii) and in-
17 serting “; and”; and

18 (iii) by adding at the end the fol-
19 lowing new subparagraph:

20 “(D) in the case of a trademark, service
21 mark, or trade name, the trustee shall not be
22 relieved of a contractual obligation to monitor
23 and control the quality of a licensed product or
24 service.”.

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

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

8 (a) SMALL BUSINESS EDUCATION AND OUT-
9 REACH.—

10 (1) RESOURCES FOR SMALL BUSINESS.—Using
11 existing resources, the Director shall develop edu-
12 cational resources for small businesses to address
13 concerns arising from patent infringement.

14 (2) SMALL BUSINESS PATENT OMBUDSMAN.—
15 The Patent Ombudsman Program established under
16 section 28 of the Leahy-Smith America Invents Act
17 (Public Law 112–29; 125 Stat. 339; 35 U.S.C. 2
18 note) shall coordinate with the existing small busi-
19 ness outreach programs of the Office to provide edu-
20 cation and awareness on abusive patent litigation
21 practices.

22 (b) IMPROVING INFORMATION TRANSPARENCY FOR
23 SMALL BUSINESS AND THE UNITED STATES PATENT AND
24 TRADEMARK OFFICE USERS.—

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

7 (A) information disclosed under sub-
8 sections (b) and (d) of section 290 of title 35,
9 United States Code, as added by section 4(a) of
10 this Act; and

11 (B) any other information the Director de-
12 termines to be relevant.

13 (2) FORMAT.—In order to promote accessibility
14 for the public, the information described in para-
15 graph (1) shall be searchable by patent number, pat-
16 ent art area, and entity.

17 **SEC. 8. STUDIES ON PATENT TRANSACTIONS, QUALITY,**
18 **AND EXAMINATION.**

19 (a) STUDY ON SECONDARY MARKET OVERSIGHT FOR
20 PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY
21 AND ETHICAL BUSINESS PRACTICES.—

22 (1) STUDY REQUIRED.—The Director, in con-
23 sultation with the Secretary of Commerce, the Sec-
24 retary of the Treasury, the Chairman of the Securi-
25 ties and Exchange Commission, the heads of other

1 relevant agencies, and interested parties, shall, using
2 existing resources of the Office, conduct a study—

3 (A) to develop legislative recommendations
4 to ensure greater transparency and account-
5 ability in patent transactions occurring on the
6 secondary market;

7 (B) to examine the economic impact that
8 the patent secondary market has on the United
9 States;

10 (C) to examine licensing and other over-
11 sight requirements that may be placed on the
12 patent secondary market, including on the par-
13 ticipants in such markets, to ensure that the
14 market is a level playing field and that brokers
15 in the market have the requisite expertise and
16 adhere to ethical business practices; and

17 (D) to examine the requirements placed on
18 other markets.

19 (2) SUBMISSION OF STUDY.—Not later than 1
20 year after the date of the enactment of this Act, the
21 Director shall submit a report to the Committee on
22 the Judiciary of the House of Representatives and
23 the Committee on the Judiciary of the Senate on the
24 findings and recommendations of the Director from
25 the study required under paragraph (1).

1 (b) STUDY ON PATENTS OWNED BY THE UNITED
2 STATES GOVERNMENT.—

3 (1) STUDY REQUIRED.—The Director, in con-
4 sultation with the heads of relevant agencies and in-
5 terested parties, shall, using existing resources of the
6 Office, conduct a study on patents owned by the
7 United States Government that—

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

11 (B) provides legislative and administrative
12 recommendations on whether there should be
13 restrictions placed on patents acquired from the
14 United States Government;

15 (C) examines whether or not each relevant
16 agency maintains adequate records on the pat-
17 ents owned by such agency, specifically whether
18 such agency addresses licensing, assignment,
19 and Government grants for technology related
20 to such patents; and

21 (D) provides recommendations to ensure
22 that each relevant agency has an adequate
23 point of contact that is responsible for man-
24 aging the patent portfolio of the agency.

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

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

10 (1) GAO STUDY.—The Comptroller General of
11 the United States shall conduct a study on patent
12 examination at the Office and the technologies avail-
13 able to improve examination and improve patent
14 quality.

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

18 (A) An examination of patent quality at
19 the Office.

20 (B) An examination of ways to improve
21 quality, specifically through technology, that
22 shall include examining best practices at foreign
23 patent offices and the use of existing off-the-
24 shelf technologies to improve patent examina-
25 tion.

1 (C) A description of how patents are clas-
2 sified.

3 (D) An examination of procedures in place
4 to prevent double patenting through filing by
5 applicants in multiple art areas.

6 (E) An examination of the types of off-the-
7 shelf prior art databases and search software
8 used by foreign patent offices and governments,
9 particularly in Europe and Asia, and whether
10 those databases and search tools could be used
11 by the Office to improve patent examination.

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

14 (3) REPORT TO CONGRESS.—Not later than 6
15 months after the date of the enactment of this Act,
16 the Comptroller General shall submit to the Com-
17 mittee on the Judiciary of the House of Representa-
18 tives and the Committee on the Judiciary of the
19 Senate a report on the findings and recommenda-
20 tions from the study required by this subsection, in-
21 cluding recommendations for any changes to laws
22 and regulations that will improve the examination of
23 patent applications and patent quality.

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

25 (1) STUDY REQUIRED.—

1 (A) IN GENERAL.—The Director of the
2 Administrative Office of the United States
3 Courts, in consultation with the Director of the
4 Federal Judicial Center and the United States
5 Patent and Trademark Office, shall, using ex-
6 isting resources, conduct a study to examine the
7 idea of developing a pilot program for patent
8 small claims courts in certain judicial districts
9 within the existing patent pilot program man-
10 dated by Public Law 111–349.

11 (B) CONTENTS OF STUDY.—The study
12 under subparagraph (A) shall examine—

13 (i) the number of and qualifications
14 for judges that could serve on such small
15 claims courts;

16 (ii) how such small claims courts
17 would be designated and the necessary cri-
18 teria for such designation;

19 (iii) the costs that would be incurred
20 for establishing, maintaining, and oper-
21 ating such a pilot program; and

22 (iv) the steps that would be taken to
23 ensure that the courts in the pilot program
24 are not misused for abusive patent litiga-
25 tion.

1 (2) SUBMISSION OF STUDY.—Not later than 1
2 year after the date of the enactment of this Act, the
3 Director of the Administrative Office of the United
4 States Courts shall submit a report to the Com-
5 mittee on the Judiciary of the House of Representa-
6 tives and the Committee on the Judiciary of the
7 Senate on the findings and recommendations of the
8 Director of the Administrative Office from the study
9 required under paragraph (1).

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

12 (a) REPEAL OF CIVIL ACTION TO OBTAIN A PAT-
13 ENT.—

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

16 (2) CONFORMING AMENDMENTS.—

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

20 (i) in subparagraph (A), by striking
21 “except that an applicant or a party” and
22 all that follows through the end of the sub-
23 paragraph and inserting the following: “ex-
24 cept that a party to a derivation pro-
25 ceeding may also have remedy by civil ac-

1 tion under section 146 of title 35; an ap-
2 peal under this subparagraph of a decision
3 of the Board with respect to a derivation
4 proceeding shall waive the right of such
5 party to proceed under section 146 of title
6 35;” and

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

10 (B) FEDERAL CIRCUIT APPEAL.—Section
11 141(a) of title 35, United States Code, is
12 amended—

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

16 (ii) by striking the second sentence.

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

21 (D) CLERICAL AMENDMENT.—The table of
22 sections for chapter 13 of title 35, United
23 States Code, is amended by repealing the item
24 relating to section 145.

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

6 (b) POST-GRANT REVIEW AMENDMENT.—Section
7 325(e)(2) of title 35, United States Code is amended by
8 striking “or reasonably could have raised”.

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

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

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

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

17 (C) by adding at the end the following new
18 paragraph:

19 “(14) providing that for all purposes under this
20 chapter—

21 “(A) each claim of a patent shall be con-
22 strued as such claim would be in a civil action
23 to invalidate a patent under section 282(b), in-
24 cluding construing each claim of the patent in
25 accordance with the ordinary and customary

1 meaning of such claim as understood by one of
2 ordinary skill in the art and the prosecution
3 history pertaining to the patent; and

4 “(B) if a court has previously construed
5 the claim or a claim term in a civil action in
6 which the patent owner was a party, the Office
7 shall consider such claim construction.”.

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

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

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

14 (C) by adding at the end the following new
15 paragraph:

16 “(13) providing that for all purposes under this
17 chapter—

18 “(A) each claim of a patent shall be con-
19 strued as such claim would be in a civil action
20 to invalidate a patent under section 282(b), in-
21 cluding construing each claim of the patent in
22 accordance with the ordinary and customary
23 meaning of such claim as understood by one of
24 ordinary skill in the art and the prosecution
25 history pertaining to the patent; and

1 “(B) if a court has previously construed
2 the claim or a claim term in a civil action in
3 which the patent owner was a party, the Office
4 shall consider such claim construction.”.

5 (3) TECHNICAL AND CONFORMING AMEND-
6 MENT.—Section 18(a)(1)(A) of the Leahy-Smith
7 America Invents Act (Public Law 112–29; 126 Stat.
8 329; 35 U.S.C. 321 note) is amended by striking
9 “Section 321(c)” and inserting “Sections 321(c) and
10 326(a)(13)”.

11 (4) EFFECTIVE DATE.—The amendments made
12 by this subsection shall take effect upon the expira-
13 tion of the 90-day period beginning on the date of
14 the enactment of this Act, and shall apply to any
15 proceeding under chapter 31 or 32 of title 35,
16 United States Code, as the case may be, for which
17 the petition for review is filed on or after such effec-
18 tive date.

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

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

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

2 “A claimed invention of a patent issued under section
3 151 (referred to as the ‘first patent’) that is not prior art
4 to a claimed invention of another patent (referred to as
5 the ‘second patent’) shall be considered prior art to the
6 claimed invention of the second patent for the purpose of
7 determining the nonobviousness of the claimed invention
8 of the second patent under section 103 if—

9 “(1) the claimed invention of the first patent
10 was effectively filed under section 102(d) on or be-
11 fore the effective filing date of the claimed invention
12 of the second patent;

13 “(2) either—

14 “(A) the first patent and second patent
15 name the same inventor; or

16 “(B) the claimed invention of the first pat-
17 ent would constitute prior art to the claimed in-
18 vention of the second patent under section
19 102(a)(2) if an exception under section
20 102(b)(2) were deemed to be inapplicable and
21 the claimed invention of the first patent was, or
22 were deemed to be, effectively filed under sec-
23 tion 102(d) before the effective filing date of
24 the claimed invention of the second patent; and

25 “(3) the patentee of the second patent has not
26 disclaimed the rights to enforce the second patent

1 independently from, and beyond the statutory term
2 of, the first patent.”.

3 (2) REGULATIONS.—The Director shall promul-
4 gate regulations setting forth the form and content
5 of any disclaimer required for a patent to be issued
6 in compliance with section 106 of title 35, United
7 States Code, as added by paragraph (1). Such regu-
8 lations shall apply to any disclaimer filed after a
9 patent has issued. A disclaimer, when filed, shall be
10 considered for the purpose of determining the valid-
11 ity of the patent under section 106 of title 35,
12 United States Code.

13 (3) CONFORMING AMENDMENT.—The table of
14 sections for chapter 10 of title 35, United States
15 Code, is amended by adding at the end the following
16 new item:

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

17 (4) EXCLUSIVE RULE.—A patent subject to sec-
18 tion 106 of title 35, United States Code, as added
19 by paragraph (1), shall not be held invalid on any
20 nonstatutory, double-patenting ground.

21 (5) EFFECTIVE DATE.—The amendments made
22 by this subsection shall take effect on the date of the
23 enactment of this Act and shall apply to a patent or
24 patent application only if both the first and second
25 patents described in section 106 of title 35, United

1 States Code, as added by paragraph (1), are patents
2 or patent applications that are described in section
3 3(n)(1) of the Leahy-Smith America Invents Act (35
4 U.S.C. 100 note).

5 (e) PTO PATENT REVIEWS.—

6 (1) CLARIFICATION.—

7 (A) SCOPE OF PRIOR ART.—Section
8 18(a)(1)(C)(i) of the Leahy-Smith America In-
9 vents Act (35 U.S.C. 321 note) is amended by
10 striking “section 102(a)” and inserting “sub-
11 section (a) or (e) of section 102”.

12 (B) EFFECTIVE DATE.—The amendment
13 made by subparagraph (A) shall take effect on
14 the date of the enactment of this Act and shall
15 apply to any proceeding pending on, or filed on
16 or after, such date of enactment.

17 (2) AUTHORITY TO WAIVE FEE.—Subject to
18 available resources, the Director may waive payment
19 of a filing fee for a transitional proceeding described
20 under section 18(a) of the Leahy-Smith America In-
21 vents Act (35 U.S.C. 321 note).

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

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

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

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

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

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

15 (2) EFFECTIVE DATE.—The amendments made
16 by this subsection shall apply to any patent applica-
17 tion or patent that is pending on, or filed on or
18 after, the date of the enactment of this Act.

19 (g) CLARIFICATION OF JURISDICTION.—

20 (1) IN GENERAL.—The Federal interest in pre-
21 venting inconsistent final judicial determinations as
22 to the legal force or effect of the claims in a patent
23 presents a substantial Federal issue that is impor-
24 tant to the Federal system as a whole.

25 (2) APPLICABILITY.—Paragraph (1)—

1 (A) shall apply to all cases filed on or
2 after, or pending on, the date of the enactment
3 of this Act; and

4 (B) shall not apply to a case in which a
5 Federal court has issued a ruling on whether
6 the case or a claim arises under any Act of
7 Congress relating to patents or plant variety
8 protection before the date of the enactment of
9 this Act.

10 (h) PATENT PILOT PROGRAM IN CERTAIN DISTRICT
11 COURTS DURATION.—Section 1(c) of Public Law 111–
12 349 is amended to read as follows:

13 “(c) The program established under subsection (a)
14 shall be maintained using existing resources, and shall ter-
15 minate 20 years after the end of the 6-month period de-
16 scribed in subsection (b).”.

17 (i) TECHNICAL CORRECTIONS.—

18 (1) NOVELTY.—

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

24 (B) EFFECTIVE DATE.—The amendment
25 made by subparagraph (A) shall be effective as

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

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

5 (A) AMENDMENT.—The second sentence of
6 section 115(a) of title 35, United States Code,
7 is amended—

8 (i) by striking “Except as otherwise
9 provided” and inserting “Except for an ap-
10 plication filed under section 118 or as oth-
11 erwise provided”; and

12 (ii) by striking “shall execute” and in-
13 sserting “may be required by the Director
14 to execute”.

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

20 (3) ASSIGNEE FILERS.—

21 (A) BENEFIT OF EARLIER FILING DATE;
22 RIGHT OF PRIORITY.—Section 119(e)(1) of title
23 35, United States Code, is amended, in the first
24 sentence, by striking “by an inventor or inven-

1 tors named” and inserting “that names the in-
2 ventor or a joint inventor”.

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

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

15 (4) DERIVED PATENTS.—

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

20 (B) EFFECTIVE DATE.—The amendment
21 made by subparagraph (A) shall be effective as
22 if included in the amendment made by section
23 3(h)(1) of the Leahy-Smith America Invents
24 Act (Public Law No. 112–29).

1 (5) SPECIFICATION.—Notwithstanding section
2 4(e) of the Leahy-Smith America Invents Act (Pub-
3 lic Law 112–29; 125 Stat. 297), the amendments
4 made by subsections (c) and (d) of section 4 of such
5 Act shall apply to any proceeding or matter that is
6 pending on, or filed on or after, the date of the en-
7 actment of this Act.

8 (6) TIME LIMIT FOR COMMENCING MISCONDUCT
9 PROCEEDINGS.—

10 (A) AMENDMENT.—The fourth sentence of
11 section 32 of title 35, United States Code, is
12 amended by striking “1 year” and inserting “2
13 years”.

14 (B) EFFECTIVE DATE.—The amendment
15 made by this paragraph shall apply to any ac-
16 tion in which the Office files a complaint on or
17 after the date of the enactment of this Act.

18 (7) PATENT OWNER RESPONSE.—

19 (A) CONDUCT OF INTER PARTES RE-
20 VIEW.—Paragraph (8) of section 316(a) of title
21 35, United States Code, is amended by striking
22 “the petition under section 313” and inserting
23 “the petition under section 311”.

24 (B) CONDUCT OF POST-GRANT REVIEW.—
25 Paragraph (8) of section 326(a) of title 35,

1 United States Code, is amended by striking
2 “the petition under section 323” and inserting
3 “the petition under section 321”.

4 (C) EFFECTIVE DATE.—The amendments
5 made by this paragraph shall take effect on the
6 date of the enactment of this Act.

7 (8) INTERNATIONAL APPLICATIONS.—

8 (A) AMENDMENTS.—Section 202(b) of the
9 Patent Law Treaties Implementation Act of
10 2012 (Public Law 112–211; 126 Stat. 1536) is
11 amended—

12 (i) by striking paragraph (7); and
13 (ii) by redesignating paragraphs (8)
14 and (9) as paragraphs (7) and (8), respec-
15 tively.

16 (B) EFFECTIVE DATE.—The amendments
17 made by subparagraph (A) shall be effective as
18 if included in title II of the Patent Law Trea-
19 ties Implementation Act of 2012 (Public Law
20 112–21).

21 **SEC. 10. EFFECTIVE DATE.**

22 Except as otherwise provided in this Act, the provi-
23 sions of this Act shall take effect on the date of the enact-

1 ment of this Act, and shall apply to any patent issued,
2 or any action filed, on or after that date.

