

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE  
CONYERS JR. OF MICHIGAN OR HIS DESIGNEE, DEBATABLE  
FOR 20 MINUTES

522

**SUBSTITUTE FOR THE AMENDMENT CONTAINED  
IN THE RULES COMMITTEE PRINT OF H.R. 3309  
OFFERED BY MR. CONYERS OF MICHIGAN & MR. WATT**

OF NORTH  
CAROLINA

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 “Deceptive Patent Practices Reduction 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. Transparency of patent ownership.
- Sec. 4. Customer stay.
- Sec. 5. Small business education, outreach, and information access.
- Sec. 6. Codification of the double-patenting doctrine for first-inventor-to-file patents.
- Sec. 7. Technical corrections to the Leahy-Smith America Invents Act.
- Sec. 8. Reports.
- Sec. 9. 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.

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

1 **SEC. 3. TRANSPARENCY OF PATENT OWNERSHIP.**

2 (a) JUDICIAL PROCEEDINGS.—

3 (1) IN GENERAL.—Section 281 of title 35,  
4 United States Code, is amended—

5 (A) by striking “A patentee” and inserting

6 “(a) IN GENERAL.—A patentee”; and

7 (B) by adding at the end the following:

8 “(b) INITIAL DISCLOSURE.—A patentee who has filed  
9 a civil action under subsection (a) is required to disclose  
10 to the court and to all adverse parties, any persons, asso-  
11 ciations of persons, firms, partnerships, corporations (in-  
12 cluding parent corporations), or other entities other than  
13 the patentee itself known by the patentee to have—

14 “(1) a financial interest (of any kind) in the  
15 subject matter in controversy or in a party to the  
16 proceeding; or

17 “(2) any other kind of interest that could be  
18 substantially affected by the outcome of the pro-  
19 ceeding.

20 “(c) ENFORCEMENT.—The court may enforce the re-  
21 quirement under subsection (b) upon a motion by an op-  
22 posing party or sua sponte.

23 “(d) DEFINITIONS.—For purposes of this section, the  
24 terms ‘proceeding’ and ‘financial interest’ have the mean-  
25 ing given those terms in section 455(d) of title 28.”.

1           (2) TECHNICAL AND CONFORMING AMEND-  
2           MENT.—Section 290 of title 35, United States Code,  
3           is amended in the first sentence by inserting after  
4           “inventor,” the following: “any information that a  
5           patentee has publicly disclosed under section  
6           281(b),”.

7           (b) PATENT AND TRADEMARK OFFICE PRO-  
8           CEEDINGS.—

9           (1) IN GENERAL.—Chapter 26 of title 35,  
10          United States Code, is amended by adding at the  
11          end the following:

12       **“§ 263. Disclosure of information relating to patent**  
13                               **ownership**

14       “(a) DEFINITIONS.—In this section—

15           “(1) the term ‘period of noncompliance’ refers  
16           to a period of time during which the ultimate parent  
17           entity of an assignee of a patent has not been dis-  
18           closed to the United States Patent and Trademark  
19           Office in accordance with this section; and

20           “(2) the term ‘ultimate parent entity’ has the  
21           meaning given the term in section 801.1(a)(3) of  
22           title 16, Code of Federal Regulations, or any suc-  
23           cessor regulation.

24       “(b) REQUIREMENT TO DISCLOSE ASSIGNMENT.—

25       An assignment of all substantial rights in an issued patent

1 that results in a change to the ultimate parent entity shall  
2 be recorded in the Patent and Trademark Office within  
3 3 months of the assignment.

4 “(c) DISCLOSURE REQUIREMENTS.—A disclosure  
5 under subsection (b) shall include the name of the assignee  
6 and the ultimate parent entity of the assignee.

7 “(d) FAILURE TO COMPLY.—If a party required to  
8 make a disclosure under subsection (b) fails to comply  
9 with such requirement, in a civil action in which that party  
10 asserts a claim for infringement of the patent, that party  
11 may not recover increased damages under section 284 or  
12 attorney fees under section 285 with respect to infringing  
13 activities taking place during any period of noncompli-  
14 ance.”.

15 (2) APPLICABILITY.—The amendment made by  
16 paragraph (1) shall apply to any patent issued on or  
17 after the date of enactment of this Act.

18 (3) CONFORMING AMENDMENT.—The table of  
19 sections for chapter 26 of title 35, United States  
20 Code, is amended by adding at the end the following  
21 new item:

“263. Disclosure of information relating to patent ownership.”.

## 22 **SEC. 4. CUSTOMER STAY.**

23 (a) IN GENERAL.—Chapter 29 of title 35, United  
24 States Code, is amended by adding at the end the fol-  
25 lowing new section:

1 **“§ 299A. Customer stay**

2 “(a) DEFINITIONS.—In this section—

3 “(1) the term ‘covered customer’ means a party  
4 accused of infringing a patent or patents in dispute  
5 based on a covered product or process;

6 “(2) the term ‘covered manufacturer’ means a  
7 person who manufactures or supplies, or causes the  
8 manufacture or supply of, a covered product or pro-  
9 cess, or a relevant part thereof; and

10 “(3) the term ‘covered product or process’  
11 means a component, product, process, system, serv-  
12 ice, method, or a relevant part thereof, that—

13 “(A) is alleged to infringe the patent or  
14 patents in dispute, or

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

17 “(b) MOTION FOR STAY.—In a civil action in which  
18 a party asserts a claim for relief arising under any Act  
19 of Congress relating to patents (other than an action that  
20 includes a cause of action described in section 271(e) of  
21 this title), the court shall grant a motion to stay at least  
22 the portion of the action against a covered customer that  
23 relates to infringement of a patent involving a covered  
24 product or process if—

25 “(1) the covered manufacturer and the covered  
26 customer consent in writing to the stay;

1           “(2) the covered manufacturer is a party to the  
2           action or a separate action involving the same patent  
3           or patents relating to the same covered product or  
4           process;

5           “(3) the covered customer agrees to be bound  
6           under the principles of collateral estoppel by any  
7           issues finally decided as to the covered manufacturer  
8           in an action described in paragraph (2) that the cov-  
9           ered customer has in common with the covered man-  
10          ufacturer; and

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

13                 “(A) 120 days after service of the first  
14                 pleading in the action that specifically identifies  
15                 the covered product or process as a basis for  
16                 the alleged infringement of the patent by the  
17                 covered customer, and specifically identifies how  
18                 the covered product or process is alleged to in-  
19                 fringe the patent; or

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

22          “(c) **APPLICABILITY.**—A stay issued under sub-  
23          section (b) shall apply only to those asserted patents and  
24          products, systems, methods, or components accused of in-  
25          fringement in the action.

1       “(d) VACATING STAY.—

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

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

8               “(B) the stay unreasonably prejudices or  
9 would be manifestly unjust to the party seeking  
10 to vacate the stay.

11               “(2) SEPARATE ACTIONS.—In the case of a stay  
12 entered under this section based on the participation  
13 of the covered manufacturer in a separate action de-  
14 scribed in subsection (b)(2), a motion under para-  
15 graph (1) may only be granted if the court in such  
16 separate action determines that the showing re-  
17 quired under paragraph (1) has been made.

18       “(e) WAIVER OF ESTOPPEL EFFECT.—If, following  
19 the grant of a motion to stay under this section, the cov-  
20 ered manufacturer in an action described in subsection  
21 (b)(2)—

22               “(1) seeks or consents to entry of a consent  
23 judgment involving one or more of the common  
24 issues that gave rise to the stay; or

1           “(2) fails to prosecute, to a final, non-appeal-  
2           able judgment, a final decision as to one or more of  
3           the common issues that gave rise to the stay,  
4           the court may, upon motion, determine that such consent  
5           judgment or unappealed final decision shall not be binding  
6           on the covered customer with respect to one or more of  
7           such common issues based on a showing that such an out-  
8           come would unreasonably prejudice or be manifestly un-  
9           just to the covered customer in light of the circumstances  
10          of the case.

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

16          (b) CONFORMING AMENDMENT.—The table of sec-  
17          tions for chapter 29 of title 35, United States Code, is  
18          amended by adding at the end the following new item:

          “299A. Customer stay.”.

19       **SEC. 5. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-**  
20                               **FORMATION ACCESS.**

21          (a) SMALL BUSINESS EDUCATION AND OUT-  
22          REACH.—

23               (1) RESOURCES FOR SMALL BUSINESS.—Using  
24               existing resources, the Director shall develop edu-

1 cational resources for small businesses to address  
2 concerns arising from patent infringement.

3 (2) SMALL BUSINESS PATENT OMBUDSMAN.—  
4 The Patent Ombudsman Program established under  
5 section 28 of the Leahy-Smith America Invents Act  
6 (35 U.S.C. 2 note) shall coordinate with the existing  
7 small business outreach programs of the Office to  
8 provide education and awareness on abusive patent  
9 litigation practices.

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

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

19 (A) information disclosed pursuant to sec-  
20 tion 290 of title 35, United States Code, as  
21 amended by section 4(a)(2) of this Act; and

22 (B) any information the Director deter-  
23 mines 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. 6. CODIFICATION OF THE DOUBLE-PATENTING DOC-**  
4 **TRINE FOR FIRST-INVENTOR-TO-FILE PAT-**  
5 **ENTS.**

6 (a) **AMENDMENT.**—Chapter 10 of title 35, United  
7 States Code, is amended by adding at the end the fol-  
8 lowing new section:

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

10 “A claimed invention of a patent issued under section  
11 151 (referred to in this section as the ‘first patent’) that  
12 is not prior art to a claimed invention of another patent  
13 (referred to in this section as the ‘second patent’) shall  
14 be considered prior art to the claimed invention of the sec-  
15 ond patent for the purpose of determining the nonobvious-  
16 ness of the claimed invention of the second patent under  
17 section 103 if—

18 “(1) the claimed invention of the first patent  
19 was effectively filed under section 102(d) on or be-  
20 fore the effective filing date of the claimed invention  
21 of the second patent;

22 “(2) either—

23 “(A) the first patent and the second patent  
24 name the same inventor; or

1           “(B) the claimed invention of the first pat-  
2           ent would constitute prior art to the claimed in-  
3           vention of the second patent under section  
4           102(a)(2) if an exception under section  
5           102(b)(2) were deemed to be inapplicable and  
6           the claimed invention of the first patent was, or  
7           were deemed to be, effectively filed under sec-  
8           tion 102(d) before the effective filing date of  
9           the claimed invention of the second patent; and

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

14           (b) REGULATIONS.—The Director shall promulgate  
15           regulations setting forth the form and content of any dis-  
16           claimer required for a patent to be issued in compliance  
17           with section 106 of title 35, United States Code, as added  
18           by subsection (a). Such regulations shall apply to any dis-  
19           claimer filed after a patent has issued. A disclaimer, when  
20           filed, shall be considered for the purpose of determining  
21           the validity of the patent under section 106 of title 35,  
22           United States Code.

23           (c) CONFORMING AMENDMENT.—The table of sec-  
24           tions for chapter 10 of title 35, United States Code, is  
25           amended by adding at the end the following new item:

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

1 (d) EXCLUSIVE RULE.—A patent subject to section  
2 106 of title 35, United States Code, as added by sub-  
3 section (a), shall not be held invalid on any nonstatutory,  
4 double-patenting ground.

5 (e) 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 a patent or patent applica-  
8 tion only if both the first and second patents described  
9 in section 106 of title 35, United States Code, as added  
10 by subsection (a), are patents or patent applications that  
11 are described in section 3(n)(1) of the Leahy-Smith Amer-  
12 ica Invents Act (35 U.S.C. 100 note).

13 **SEC. 7. TECHNICAL CORRECTIONS TO THE LEAHY-SMITH**  
14 **AMERICA INVENTS ACT.**

15 (a) TECHNICAL CORRECTIONS.—

16 (1) INVENTOR'S OATH OR DECLARATION.—

17 (A) AMENDMENT.—Section 115(g)(1) of  
18 title 35, United States Code, is amended—

19 (i) in the matter preceding subpara-  
20 graph (A), by striking “claims the benefit”  
21 and inserting “is entitled, as to each inven-  
22 tion claimed in the application, to the ben-  
23 efit”; and

24 (ii) in subparagraph (A), by striking  
25 “meeting the requirements of subsection

1 (a) was executed by the individual and was  
2 filed in connection with the earlier-filed ap-  
3 plication” and inserting the following: “ex-  
4 ecuted by or on behalf of the individual  
5 was filed in connection with the earlier-  
6 filed application and meets the require-  
7 ments of this section as effective on the  
8 date such oath or declaration was filed”.

9 (B) EFFECTIVE DATE.—The amendment  
10 made by subparagraph (A) shall be effective as  
11 if included in the amendment made by section  
12 4(a)(1) of the Leahy-Smith America Invents  
13 Act (Public Law 112–29; 125 Stat. 293).

14 (2) NOVELTY.—

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

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(b)(1) of the Leahy-Smith America Invents  
24 Act (Public Law 112–29; 125 Stat. 285).

25 (3) ASSIGNEE FILERS.—

1 (A) BENEFIT OF EARLIER FILING DATE;  
2 RIGHT OF PRIORITY.—Section 119(e)(1) of title  
3 35, United States Code, is amended, in the first  
4 sentence, by striking “by an inventor or inven-  
5 tors named” and inserting “that names the in-  
6 ventor or a joint inventor”.

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

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

19 (4) DERIVED PATENTS.—

20 (A) AMENDMENT.—Section 291(b) of title  
21 35, United States Code, is amended by striking  
22 “or joint inventor” and inserting “or a joint in-  
23 ventor”.

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(h)(1) of the Leahy-Smith America Invents  
3 Act (Public Law 112–29; 125 Stat. 288).

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

11 (6) PATENT OWNER RESPONSE.—

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

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

1           (7) TIME LIMIT FOR COMMENCING MISCONDUCT  
2           PROCEEDINGS.—

3           (A) AMENDMENT.—The fourth sentence of  
4           section 32 of title 35, United States Code, is  
5           amended by striking “1 year” and inserting “2  
6           years”.

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

11          (b) POST-GRANT REVIEW AMENDMENT.—Section  
12          325(e)(2) of title 35, United States Code, is amended by  
13          striking “or reasonably could have raised”.

14          (c) CLARIFICATION OF JURISDICTION.—Section 1338  
15          of title 28, United States Code, is amended by adding at  
16          the end the following:

17          “(d) For purposes of this section, section 1454, and  
18          section 1295(a), a claim of legal malpractice that nec-  
19          essarily raises a disputed question of patent law shall be  
20          deemed to arise under an Act of Congress relating to pat-  
21          ents.”.

22          **SEC. 8. REPORTS.**

23          (a) STUDY ON SECONDARY MARKET OVERSIGHT FOR  
24          PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY  
25          AND ETHICAL BUSINESS PRACTICES.—

1           (1) STUDY REQUIRED.—The Director, in con-  
2           sultation with the Secretary of Commerce, the Sec-  
3           retary of the Treasury, the Chairman of the Securi-  
4           ties and Exchange Commission, the heads of other  
5           relevant agencies, and interested parties, shall, using  
6           existing resources of the Office, conduct a study—

7                   (A) to develop legislative recommendations  
8                   to ensure greater transparency and account-  
9                   ability in patent transactions occurring on the  
10                  secondary market;

11                  (B) to examine the economic impact that  
12                  the patent secondary market has on the United  
13                  States;

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

21                  (D) to examine the requirements placed on  
22                  other markets.

23           (2) SUBMISSION OF STUDY.—Not later than 18  
24           months after the date of the enactment of this Act,  
25           the Director shall submit a report to the Committee

1 on the Judiciary of the House of Representatives  
2 and the Committee on the Judiciary of the Senate  
3 on the findings and recommendations of the Director  
4 from the study required under paragraph (1).

5 (b) STUDY ON PATENTS OWNED BY THE UNITED  
6 STATES GOVERNMENT.—

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

12 (A) examines how such patents are li-  
13 censed and sold, with reference to any litigation  
14 relating to the licensing or sale of such patents;

15 (B) provides legislative and administrative  
16 recommendations on whether there should be  
17 restrictions placed on patents acquired from the  
18 United States Government;

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

1 (D) provides recommendations to ensure  
2 that each relevant agency has an adequate  
3 point of contact that is responsible for man-  
4 aging the patent portfolio of the agency.

5 (2) REPORT ON STUDY.—Not later than 9  
6 months after the date of completion of the study re-  
7 quired by subsection (a)(1), the Director shall sub-  
8 mit to the Committee on the Judiciary of the House  
9 of Representatives and the Committee on the Judici-  
10 ary of the Senate a report on the findings and rec-  
11 ommendations of the Director from the study re-  
12 quired under paragraph (1).

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

15 (1) GAO STUDY.—The Comptroller General of  
16 the United States shall conduct a study on patent  
17 examination at the Office and the technologies avail-  
18 able to improve examination and improve patent  
19 quality.

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

23 (A) An examination of patent quality at  
24 the Office.

1           (B) An examination of ways to improve  
2           quality, specifically through technology, that  
3           shall include examining best practices at foreign  
4           patent offices and the use of existing off-the-  
5           shelf technologies to improve patent examina-  
6           tion.

7           (C) A description of how patents are clas-  
8           sified.

9           (D) An examination of procedures in place  
10          to prevent double patenting through filing by  
11          applicants in multiple art areas.

12          (E) An examination of the types of off-the-  
13          shelf prior art databases and search software  
14          used by foreign patent offices and governments,  
15          particularly in Europe and Asia, and whether  
16          those databases and search tools could be used  
17          by the Office to improve patent examination.

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

20          (3) REPORT TO CONGRESS.—Not later than 6  
21          months after the date of the completion of the study  
22          required by subsection (b)(1), the Comptroller Gen-  
23          eral shall submit to the Committee on the Judiciary  
24          of the House of Representatives and the Committee  
25          on the Judiciary of the Senate a report on the find-

1        ings and recommendations from the study required  
2        by this subsection, including recommendations for  
3        any changes to laws and regulations that will im-  
4        prove the examination of patent applications and  
5        patent quality.

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

7                (1) STUDY REQUIRED.—

8                        (A) IN GENERAL.—The Director of the  
9                        Administrative Office of the United States  
10                       Courts, in consultation with the Director of the  
11                       Federal Judicial Center, shall, using existing  
12                       resources, conduct a study to examine the idea  
13                       of developing a pilot program for patent small  
14                       claims courts in certain judicial districts within  
15                       the existing patent pilot program mandated by  
16                       Public Law 111–349 (28 U.S.C. 137 note).

17                       (B) CONTENTS OF STUDY.—The study  
18                       conducted under subparagraph (A) shall exam-  
19                       ine—

20                                (i) the number and qualifications for  
21                                judges that could serve on the courts de-  
22                                scribed in subparagraph (A);

23                                (ii) how the courts described in sub-  
24                                paragraph (A) would be designated and  
25                                the necessary criteria;

1 (iii) the costs that would be incurred  
2 for establishing, maintaining and operating  
3 the pilot program described in subpara-  
4 graph (A); and

5 (iv) the steps that would be taken to  
6 ensure that the pilot small claims courts  
7 are not misused for abusive patent litiga-  
8 tion.

9 (2) REPORT.—Not later than 1 year after the  
10 date of the enactment of this Act, the Director of  
11 the Administrative Office of the United States  
12 Courts shall submit a report to the Committee on  
13 the Judiciary of the House of Representatives and  
14 the Committee on the Judiciary of the Senate on the  
15 findings and recommendations from the study re-  
16 quired under paragraph (1).

17 (e) STUDY ON BAD-FAITH DEMAND LETTERS.—

18 (1) STUDY.—The Intellectual Property Enforce-  
19 ment Coordinator, in consultation with the Director,  
20 shall conduct a study of the practice by a person, in  
21 connection with the assertion of a United States pat-  
22 ent, of sending written communications that state  
23 that the intended recipients or any affiliated persons  
24 of such recipients are infringing or have infringed

1 the patent and bear liability or owe compensation to  
2 another, whereby—

3 (A) the communications falsely threaten  
4 that administrative or judicial relief will be  
5 sought if compensation is not paid or the in-  
6 fringement issue is not otherwise resolved;

7 (B) the assertions contained in the commu-  
8 nications lack a reasonable basis in fact or law,  
9 including, for example, because—

10 (i) the person asserting the patent is  
11 not a person, or does not represent a per-  
12 son, with the current right to license the  
13 patent to, or to enforce the patent against,  
14 the intended recipients or any such affili-  
15 ated persons; or

16 (ii) the communications seek com-  
17 pensation on account of activities under-  
18 taken after the patent has expired; or

19 (C) the content of the written communica-  
20 tions is likely to materially mislead a reasonable  
21 recipient, including, for example, because the  
22 content fails to include such facts reasonably  
23 necessary to inform the recipient of—

24 (i) the identity of the person asserting  
25 a right to license the patent to, or enforce

1 the patent against, the intended recipient  
2 or any affiliated person of the recipient;

3 (ii) the patent issued by the United  
4 States Patent and Trademark Office al-  
5 leged to have been infringed; and

6 (iii) the reasons for the assertion that  
7 the patent may be or may have been in-  
8 fringed.

9 (2) REPORT TO CONGRESS.—Not later than 18  
10 months after the date of the enactment of this Act,  
11 the Intellectual Property Enforcement Coordinator  
12 shall submit to the Committee on the Judiciary of  
13 the House of Representatives and the Committee on  
14 the Judiciary of the Senate a report on the study  
15 conducted under paragraph (1), including rec-  
16 ommendations for any changes to laws and regula-  
17 tions that will deter any abuses found in the practice  
18 described in paragraph (1).

19 **SEC. 9. EFFECTIVE DATE.**

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

