

NOVEMBER 22, 2013

RULES COMMITTEE PRINT 113-28
TEXT OF H.R. 3309, INNOVATION ACT

**[Showing the bill as ordered reported by the Committee on
the Judiciary.]**

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.

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

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

2 (a) PLEADING REQUIREMENTS.—

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

6 **“§ 281A. Pleading requirements for patent infringe-**
7 **ment actions**

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

16 “(1) An identification of each patent allegedly
17 infringed.

18 “(2) An identification of each claim of each pat-
19 ent identified under paragraph (1) that is allegedly
20 infringed.

21 “(3) For each claim identified under paragraph
22 (2), an identification of each accused process, ma-
23 chine, manufacture, or composition of matter (re-
24 ferred to in this section as an ‘accused instrumen-
25 tality’) alleged to infringe the claim.

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

4 “(A) the name or model number of each
5 accused instrumentality; or

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

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

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

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

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

22 “(7) A description of the authority of the party
23 alleging infringement to assert each patent identified
24 under paragraph (1) and of the grounds for the
25 court’s jurisdiction.

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

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

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

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

23 “(c) CONFIDENTIAL INFORMATION.—A party re-
24 quired to disclose information described under subsection
25 (a) may file, under seal, information believed to be con-

1 fidential, with a motion setting forth good cause for such
2 sealing. If such motion is denied by the court, the party
3 may seek to file an amended complaint.

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

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

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

11 (b) FEES AND OTHER EXPENSES.—

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

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

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

24 “(b) CERTIFICATION AND RECOVERY.—Upon motion
25 of any party to the action, the court shall require another

1 party to the action to certify whether or not the other
2 party will be able to pay an award of fees and other ex-
3 penses if such an award is made under subsection (a). If
4 a nonprevailing party is unable to pay an award that is
5 made against it under subsection (a), the court may make
6 a party that has been joined under section 299(d) with
7 respect to such party liable for the unsatisfied portion of
8 the award.

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

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

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

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

“285. Fees and other expenses.”.

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

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

12 (c) JOINDER OF INTERESTED PARTIES.—Section
13 299 of title 35, United States Code, is amended by adding
14 at the end the following new subsection:

15 “(d) JOINDER OF INTERESTED PARTIES.—

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

1 no substantial interest in the subject matter at issue
2 other than asserting such patent claim in litigation.

3 “(2) LIMITATION ON JOINDER.—

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

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

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

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

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

18 “(ii) within 30 days after receiving
19 the notice required by paragraph (3), the
20 interested party renounces, in writing and
21 with notice to the court and the parties to
22 the action, any ownership, right, or direct
23 financial interest (as described in para-
24 graph (4)) that the interested party has in
25 the patent or patents at issue.

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

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

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

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

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

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) SENSE OF CONGRESS.—It is the sense of Con-
19 gress that it is an abuse of the patent system and against
20 public policy for a party to send out purposely evasive de-
21 mand letters to end users alleging patent infringement.
22 Demand letters sent should, at the least, include basic in-
23 formation about the patent in question, what is being in-
24 fringed, and how it is being infringed. Any actions or liti-
25 gation that stem from these types of purposely evasive de-

1 mand letters to end users should be considered a fraudu-
2 lent or deceptive practice and an exceptional circumstance
3 when considering whether the litigation is abusive.

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

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

9 (2) in the second undesignated paragraph, by
10 striking “When the damages” and inserting “(b) AS-
11 SESSMENT BY COURT; TREBLE DAMAGES.—When
12 the damages”;

13 (3) by inserting after subsection (b), as des-
14 ignated by paragraph (2) of this subsection, the fol-
15 lowing:

16 “(c) WILLFUL INFRINGEMENT.—A claimant seeking
17 to establish willful infringement may not rely on evidence
18 of pre-suit notification of infringement unless that notifi-
19 cation identifies with particularity the asserted patent,
20 identifies the product or process accused, and explains
21 with particularity, to the extent possible following a rea-
22 sonable investigation or inquiry, how the product or proc-
23 ess infringes one or more claims of the patent.”; and

1 (4) in the last undesignated paragraph, by
2 striking “The court” and inserting “(d) EXPERT
3 TESTIMONY.—The court”.

4 (g) EFFECTIVE DATE.—Except as otherwise provided
5 in this section, the amendments made by this section shall
6 take effect on the date of the enactment of this Act and
7 shall apply to any action for which a complaint is filed
8 on or after that date.

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

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

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

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

16 (3) by adding at the end the following new sub-
17 sections:

18 “(b) INITIAL DISCLOSURE.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (2), upon the filing of an initial complaint for
21 patent infringement, the plaintiff shall disclose to
22 the Patent and Trademark Office, the court, and
23 each adverse party the identity of each of the fol-
24 lowing:

1 “(A) The assignee of the patent or patents
2 at issue.

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

5 “(C) Any entity, other than the plaintiff,
6 that the plaintiff knows to have a financial in-
7 terest in the patent or patents at issue or the
8 plaintiff.

9 “(D) The ultimate parent entity of any as-
10 signee identified under subparagraph (A) and
11 any entity identified under subparagraph (B) or
12 (C).

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

17 “(c) DISCLOSURE COMPLIANCE.—

18 “(1) PUBLICLY TRADED.—For purposes of sub-
19 section (b)(1)(C), if the financial interest is held by
20 a corporation traded on a public stock exchange, an
21 identification of the name of the corporation and the
22 public exchange listing shall satisfy the disclosure re-
23 quirement.

24 “(2) NOT PUBLICLY TRADED.—For purposes of
25 subsection (b)(1)(C), if the financial interest is not

1 held by a publicly traded corporation, the disclosure
2 shall satisfy the disclosure requirement if the infor-
3 mation identifies—

4 “(A) in the case of a partnership, the
5 name of the partnership and the name and cor-
6 respondence address of each partner or other
7 entity that holds more than a 5-percent share
8 of that partnership;

9 “(B) in the case of a corporation, the
10 name of the corporation, the location of incor-
11 poration, the address of the principal place of
12 business, and the name of each officer of the
13 corporation; and

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

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

18 “(1) IN GENERAL.—A plaintiff required to sub-
19 mit information under subsection (b) or a subse-
20 quent owner of the patent or patents at issue shall,
21 not later than 90 days after any change in the as-
22 signee of the patent or patents at issue or an entity
23 described under subparagraph (B) or (D) of sub-
24 section (b)(1), submit to the Patent and Trademark

1 Office the updated identification of such assignee or
2 entity.

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

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

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

20 “(e) DEFINITIONS.—In this section:

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

23 “(A) means—

24 “(i) with regard to a patent or pat-
25 ents, the right of a person to receive pro-

1 ceeds related to the assertion of the patent
2 or patents, including a fixed or variable
3 portion of such proceeds; and

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

8 “(B) does not mean—

9 “(i) ownership of shares or other in-
10 terests in a mutual or common investment
11 fund, unless the owner of such interest
12 participates in the management of such
13 fund; or

14 “(ii) the proprietary interest of a pol-
15 icyholder in a mutual insurance company
16 or of a depositor in a mutual savings asso-
17 ciation, or a similar proprietary interest,
18 unless the outcome of the proceeding could
19 substantially affect the value of such inter-
20 est.

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

24 “(3) ULTIMATE PARENT ENTITY.—

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

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

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

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

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

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

1 of this Act and shall apply to any action for which a com-
2 plaint is filed on or after such effective date.

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

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

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

7 “(a) STAY OF ACTION AGAINST CUSTOMER.—Except
8 as provided in subsection (d), in any civil action arising
9 under any Act of Congress relating to patents, the court
10 shall grant a motion to stay at least the portion of the
11 action against a covered customer related to infringement
12 of a patent involving a covered product or process if the
13 following requirements are met:

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

16 “(2) The covered manufacturer is a party to
17 the action or to a separate action involving the same
18 patent or patents related to the same covered prod-
19 uct or process.

20 “(3) The covered customer agrees to be bound
21 by any issues that the covered customer has in com-
22 mon with the covered manufacturer and are finally
23 decided as to the covered manufacturer in an action
24 described in paragraph (2).

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

3 “(A) the 120th day after the date on which
4 the first pleading in the action is served that
5 specifically identifies the covered product or
6 process as a basis for the covered customer’s al-
7 leged infringement of the patent and that spe-
8 cifically identifies how the covered product or
9 process is alleged to infringe the patent; or

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

12 “(b) **APPLICABILITY OF STAY.**—A stay issued under
13 subsection (a) shall apply only to the patents, products,
14 systems, or components accused of infringement in the ac-
15 tion.

16 “(c) **LIFT OF STAY.**—

17 “(1) **IN GENERAL.**—A stay entered under this
18 section may be lifted upon grant of a motion based
19 on a showing that—

20 “(A) the action involving the covered man-
21 ufacturer will not resolve a major issue in suit
22 against the covered customer; or

23 “(B) the stay unreasonably prejudices and
24 would be manifestly unjust to the party seeking
25 to lift the stay.

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

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

12 “(e) CONSENT JUDGMENT.—If, following the grant
13 of a motion to stay under this section, the covered manu-
14 facturer seeks or consents to entry of a consent judgment
15 relating to one or more of the common issues that gave
16 rise to the stay, or declines to prosecute through appeal
17 a final decision as to one or more of the common issues
18 that gave rise to the stay, the court may, upon grant of
19 a motion, determine that such consent judgment or
20 unappealed final decision shall not be binding on the cov-
21 ered customer with respect to one or more of such common
22 issues based on a showing that such an outcome would
23 unreasonably prejudice and be manifestly unjust to the
24 covered customer in light of the circumstances of the case.

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

6 “(g) DEFINITIONS.—In this section:

7 “(1) COVERED CUSTOMER.—The term ‘covered
8 customer’ means a party accused of infringing a pat-
9 ent or patents in dispute based on a covered product
10 or process.

11 “(2) COVERED MANUFACTURER.—The term
12 ‘covered manufacturer’ means a person that manu-
13 factures or supplies, or causes the manufacture or
14 supply of, a covered product or process or a relevant
15 part thereof.

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

20 “(A) is alleged to infringe the patent or
21 patents in dispute; or

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

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

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

“296. Stay of action against customer.”.

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

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

11 (a) **JUDICIAL CONFERENCE RULES AND PROCE-**
12 **DURES ON DISCOVERY BURDENS AND COSTS.**—

13 (1) **RULES AND PROCEDURES.**—The Judicial
14 Conference of the United States, using existing re-
15 sources, shall develop rules and procedures to imple-
16 ment the issues and proposals described in para-
17 graph (2) to address the asymmetries in discovery
18 burdens and costs in any civil action arising under
19 any Act of Congress relating to patents. Such rules
20 and procedures shall include how and when payment
21 for document discovery in addition to the discovery
22 of core documentary evidence is to occur, and what
23 information must be presented to demonstrate finan-
24 cial capacity before permitting document discovery

1 in addition to the discovery of core documentary evi-
2 dence.

3 (2) RULES AND PROCEDURES TO BE CONSID-
4 ERED.—The rules and procedures required under
5 paragraph (1) should address each of the following
6 issues and proposals:

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

17 (B) ELECTRONIC COMMUNICATION.—If the
18 parties determine that the discovery of elec-
19 tronic communication is appropriate, whether
20 such discovery shall occur after the parties have
21 exchanged initial disclosures and core documen-
22 tary evidence and whether such discovery shall
23 be in accordance with the following:

24 (i) Any request for the production of
25 electronic communication shall be specific

1 and may not be a general request for the
2 production of information relating to a
3 product or business.

4 (ii) Each request shall identify the
5 custodian of the information requested, the
6 search terms, and a time frame. The par-
7 ties shall cooperate to identify the proper
8 custodians, the proper search terms, and
9 the proper time frame.

10 (iii) A party may not submit produc-
11 tion requests to more than 5 custodians,
12 unless the parties jointly agree to modify
13 the number of production requests without
14 leave of the court.

15 (iv) The court may consider contested
16 requests for up to 5 additional custodians
17 per producing party, upon a showing of a
18 distinct need based on the size, complexity,
19 and issues of the case.

20 (v) If a party requests the discovery
21 of electronic communication for additional
22 custodians beyond the limits agreed to by
23 the parties or granted by the court, the re-
24 questing party shall bear all reasonable
25 costs caused by such additional discovery.

1 (C) ADDITIONAL DOCUMENT DISCOVERY.—

2 Whether the following should apply:

3 (i) IN GENERAL.—Each party to the
4 action may seek any additional document
5 discovery otherwise permitted under the
6 Federal Rules of Civil Procedure, if such
7 party bears the reasonable costs, including
8 reasonable attorney’s fees, of the additional
9 document discovery.

10 (ii) REQUIREMENTS FOR ADDITIONAL
11 DOCUMENT DISCOVERY.—Unless the par-
12 ties mutually agree otherwise, no party
13 may be permitted additional document dis-
14 covery unless such a party posts a bond, or
15 provides other security, in an amount suffi-
16 cient to cover the expected costs of such
17 additional document discovery, or makes a
18 showing to the court that such party has
19 the financial capacity to pay the costs of
20 such additional document discovery.

21 (iii) LIMITS ON ADDITIONAL DOCU-
22 MENT DISCOVERY.—A court, upon motion,
23 may determine that a request for addi-
24 tional document discovery is excessive, ir-
25 relevant, or otherwise abusive and may set

1 limits on such additional document dis-
2 covery.

3 (iv) GOOD CAUSE MODIFICATION.—A
4 court, upon motion and for good cause
5 shown, may modify the requirements of
6 subparagraphs (A) and (B) and any defini-
7 tion under paragraph (3). Not later than
8 30 days after the pretrial conference under
9 Rule 16 of the Federal Rules of Civil Pro-
10 cedure, the parties shall jointly submit any
11 proposed modifications of the requirements
12 of subparagraphs (A) and (B) and any def-
13 inition under paragraph (3), unless the
14 parties do not agree, in which case each
15 party shall submit any proposed modifica-
16 tion of such party and a summary of the
17 disagreement over the modification.

18 (v) COMPUTER CODE.—A court, upon
19 motion and for good cause shown, may de-
20 termine that computer code should be in-
21 cluded in the discovery of core documen-
22 tary evidence. The discovery of computer
23 code shall occur after the parties have ex-
24 changed initial disclosures and other core
25 documentary evidence.

1 (D) DISCOVERY SEQUENCE AND SCOPE.—

2 Whether the parties shall discuss and address
3 in the written report filed pursuant to Rule
4 26(f) of the Federal Rules of Civil Procedure
5 the views and proposals of each party on the
6 following:

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

9 (ii) Whether additional document dis-
10 covery will be sought under subparagraph
11 (C).

12 (iii) Any issues about infringement,
13 invalidity, or damages that, if resolved be-
14 fore the additional discovery described in
15 subparagraph (C) commences, might sim-
16 plify or streamline the case, including the
17 identification of any terms or phrases re-
18 lating to any patent claim at issue to be
19 construed by the court and whether the
20 early construction of any of those terms or
21 phrases would be helpful.

22 (3) DEFINITIONS.—In this subsection:

23 (A) CORE DOCUMENTARY EVIDENCE.—The
24 term “core documentary evidence”—

25 (i) includes—

1 (I) documents relating to the
2 conception of, reduction to practice of,
3 and application for, the patent or pat-
4 ents at issue;

5 (II) documents sufficient to show
6 the technical operation of the product
7 or process identified in the complaint
8 as infringing the patent or patents at
9 issue;

10 (III) documents relating to po-
11 tentially invalidating prior art;

12 (IV) documents relating to any
13 licensing of, or other transfer of rights
14 to, the patent or patents at issue be-
15 fore the date on which the complaint
16 is filed;

17 (V) documents sufficient to show
18 profit attributable to the claimed in-
19 vention of the patent or patents at
20 issue;

21 (VI) documents relating to any
22 knowledge by the accused infringer of
23 the patent or patents at issue before
24 the date on which the complaint is
25 filed;

1 (VII) documents relating to any
2 knowledge by the patentee of infringe-
3 ment of the patent or patents at issue
4 before the date on which the com-
5 plaint is filed;

6 (VIII) documents relating to any
7 licensing term or pricing commitment
8 to which the patent or patents may be
9 subject through any agency or stand-
10 ard-setting body; and

11 (IX) documents sufficient to
12 show any marking or other notice pro-
13 vided of the patent or patents at
14 issue; and

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

17 (B) ELECTRONIC COMMUNICATION.—The
18 term “electronic communication” means any
19 form of electronic communication, including
20 email, text message, or instant message.

21 (4) IMPLEMENTATION BY THE DISTRICT
22 COURTS.—Not later than 6 months after the date on
23 which the Judicial Conference has developed the
24 rules and procedures required by this subsection,
25 each United States district court and the United

1 States Court of Federal Claims shall revise the ap-
2 plicable local rules for such court to implement such
3 rules and procedures.

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

6 (A) STUDY OF EFFICACY OF RULES AND
7 PROCEDURES.—The Judicial Conference shall
8 study the efficacy of the rules and procedures
9 required by this subsection during the 4-year
10 period beginning on the date on which such
11 rules and procedures by the district courts and
12 the United States Court of Federal Claims are
13 first implemented. The Judicial Conference may
14 modify such rules and procedures following
15 such 4-year period.

16 (B) INITIAL MODIFICATIONS.—Before the
17 expiration of the 4-year period described in sub-
18 paragraph (A), the Judicial Conference may
19 modify the requirements under this sub-
20 section—

21 (i) by designating categories of “core
22 documentary evidence”, in addition to
23 those designated under paragraph (3)(A),
24 as the Judicial Conference determines to
25 be appropriate and necessary; and

1 (ii) as otherwise necessary to prevent
2 a manifest injustice, the imposition of a re-
3 quirement the costs of which clearly out-
4 weigh its benefits, or a result that could
5 not reasonably have been intended by the
6 Congress.

7 (b) JUDICIAL CONFERENCE PATENT CASE MANAGE-
8 MENT.—The Judicial Conference of the United States,
9 using existing resources, shall develop case management
10 procedures to be implemented by the United States dis-
11 trict courts and the United States Court of Federal Claims
12 for any civil action arising under any Act of Congress re-
13 lating to patents, including initial disclosure and early case
14 management conference practices that—

15 (1) will identify any potential dispositive issues
16 of the case; and

17 (2) focus on early summary judgment motions
18 when resolution of issues may lead to expedited dis-
19 position of the case.

20 (c) REVISION OF FORM FOR PATENT INFRINGE-
21 MENT.—

22 (1) ELIMINATION OF FORM.—The Supreme
23 Court, using existing resources, shall eliminate Form
24 18 in the Appendix to the Federal Rules of Civil
25 Procedure (relating to Complaint for Patent In-

1 fringement), effective on the date of the enactment
2 of this Act.

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

14 (d) PROTECTION OF INTELLECTUAL-PROPERTY LI-
15 CENSES IN BANKRUPTCY.—

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

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

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

22 (C) by inserting at the end the following
23 new paragraph:

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

4 (2) TRADEMARKS.—

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

7 (i) in subparagraph (E), by striking

8 “or”;

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

11 (iii) by adding after subparagraph (F)
12 the following new subparagraph:

13 “(G) a trademark, service mark, or trade
14 name, as those terms are defined in section 45
15 of the Act of July 5, 1946 (commonly referred
16 to as the ‘Trademark Act of 1946’) (15 U.S.C.
17 1127);”.

18 (B) CONFORMING AMENDMENT.—Section
19 365(n)(2) of title 11, United States Code, is
20 amended—

21 (i) in subparagraph (B)—

22 (I) by striking “royalty pay-
23 ments” and inserting “royalty or
24 other payments”; and

1 (II) by striking “and” after the
2 semicolon;

3 (ii) in subparagraph (C), by striking
4 the period at the end of clause (ii) and in-
5 serting “; and”; and

6 (iii) by adding at the end the fol-
7 lowing new subparagraph:

8 “(D) in the case of a trademark, service mark,
9 or trade name, the trustee shall not be relieved of
10 a contractual obligation to monitor and control the
11 quality of a licensed product or service.”.

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

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

19 (a) SMALL BUSINESS EDUCATION AND OUT-
20 REACH.—

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

1 (2) SMALL BUSINESS PATENT OMBUDSMAN.—
2 The Patent Ombudsman Program established under
3 section 28 of the Leahy-Smith America Invents Act
4 (Public Law 112–29; 125 Stat. 339; 35 U.S.C. 2
5 note) shall coordinate with the existing small busi-
6 ness outreach programs of the Office, and the rel-
7 evant offices at the Small Business Administration
8 and the Minority Business Development Agency, to
9 provide education and awareness on abusive patent
10 litigation practices. The Director may give special
11 consideration to the unique needs of small firms
12 owned by disabled veterans, service-disabled vet-
13 erans, women, and minority entrepreneurs in plan-
14 ning and executing the outreach efforts by the Of-
15 fice.

16 (b) IMPROVING INFORMATION TRANSPARENCY FOR
17 SMALL BUSINESS AND THE UNITED STATES PATENT AND
18 TRADEMARK OFFICE USERS.—

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

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

5 (B) any other information the Director de-
6 termines to be relevant.

7 (2) **FORMAT.**—In order to promote accessibility
8 for the public, the information described in para-
9 graph (1) shall be searchable by patent number, pat-
10 ent art area, and entity.

11 **SEC. 8. STUDIES ON PATENT TRANSACTIONS, QUALITY,**
12 **AND EXAMINATION.**

13 (a) **STUDY ON SECONDARY MARKET OVERSIGHT FOR**
14 **PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY**
15 **AND ETHICAL BUSINESS PRACTICES.**—

16 (1) **STUDY REQUIRED.**—The Director, in con-
17 sultation with the Secretary of Commerce, the Sec-
18 retary of the Treasury, the Chairman of the Securi-
19 ties and Exchange Commission, the heads of other
20 relevant agencies, and interested parties, shall, using
21 existing resources of the Office, conduct a study—

22 (A) to develop legislative recommendations
23 to ensure greater transparency and account-
24 ability in patent transactions occurring on the
25 secondary market;

1 (B) to examine the economic impact that
2 the patent secondary market has on the United
3 States;

4 (C) to examine licensing and other over-
5 sight requirements that may be placed on the
6 patent secondary market, including on the par-
7 ticipants in such markets, to ensure that the
8 market is a level playing field and that brokers
9 in the market have the requisite expertise and
10 adhere to ethical business practices; and

11 (D) to examine the requirements placed on
12 other markets.

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

20 (b) STUDY ON PATENTS OWNED BY THE UNITED
21 STATES GOVERNMENT.—

22 (1) STUDY REQUIRED.—The Director, in con-
23 sultation with the heads of relevant agencies and in-
24 terested parties, shall, using existing resources of the

1 Office, conduct a study on patents owned by the
2 United States Government that—

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

6 (B) provides legislative and administrative
7 recommendations on whether there should be
8 restrictions placed on patents acquired from the
9 United States Government;

10 (C) examines whether or not each relevant
11 agency maintains adequate records on the pat-
12 ents owned by such agency, specifically whether
13 such agency addresses licensing, assignment,
14 and Government grants for technology related
15 to such patents; and

16 (D) provides recommendations to ensure
17 that each relevant agency has an adequate
18 point of contact that is responsible for man-
19 aging the patent portfolio of the agency.

20 (2) REPORT ON STUDY.—Not later than 6
21 months after the date of the enactment of this Act,
22 the Director shall submit to the Committee on the
23 Judiciary of the House of Representatives and the
24 Committee on the Judiciary of the Senate a report

1 on the findings and recommendations of the Director
2 from the study required under paragraph (1).

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

5 (1) GAO STUDY.—The Comptroller General of
6 the United States shall conduct a study on patent
7 examination at the Office and the technologies avail-
8 able to improve examination and improve patent
9 quality.

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

13 (A) An examination of patent quality at
14 the Office.

15 (B) An examination of ways to improve
16 patent quality, specifically through technology,
17 that shall include examining best practices at
18 foreign patent offices and the use of existing
19 off-the-shelf technologies to improve patent ex-
20 amination.

21 (C) A description of how patents are clas-
22 sified.

23 (D) An examination of procedures in place
24 to prevent double patenting through filing by
25 applicants in multiple art areas.

1 (E) An examination of the types of off-the-
2 shelf prior art databases and search software
3 used by foreign patent offices and governments,
4 particularly in Europe and Asia, and whether
5 those databases and search tools could be used
6 by the Office to improve patent examination.

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

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

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

20 (1) STUDY REQUIRED.—

21 (A) IN GENERAL.—The Director of the
22 Administrative Office of the United States
23 Courts, in consultation with the Director of the
24 Federal Judicial Center and the United States
25 Patent and Trademark Office, shall, using ex-

1 isting resources, conduct a study to examine the
2 idea of developing a pilot program for patent
3 small claims courts in certain judicial districts
4 within the existing patent pilot program man-
5 dated by Public Law 111–349.

6 (B) CONTENTS OF STUDY.—The study
7 under subparagraph (A) shall examine—

8 (i) the number of and qualifications
9 for judges that could serve on such small
10 claims courts;

11 (ii) how such small claims courts
12 would be designated and the necessary cri-
13 teria for such designation;

14 (iii) the costs that would be incurred
15 for establishing, maintaining, and oper-
16 ating such a pilot program; and

17 (iv) the steps that would be taken to
18 ensure that the courts in the pilot program
19 are not misused for abusive patent litiga-
20 tion.

21 (2) REPORT ON STUDY.—Not later than 1 year
22 after the date of the enactment of this Act, the Di-
23 rector of the Administrative Office of the United
24 States Courts shall submit a report to the Com-
25 mittee on the Judiciary of the House of Representa-

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

5 (e) STUDY ON DEMAND LETTERS.—

6 (1) STUDY.—The Director, in consultation with
7 the heads of other appropriate agencies, shall con-
8 duct a study of the prevalence of the practice of
9 sending patent demand letters in bad faith and the
10 extent to which that practice may, through fraudu-
11 lent or deceptive practices, impose a negative impact
12 on the marketplace.

13 (2) REPORT TO CONGRESS.—Not later than 1
14 year after the date of the enactment of this Act, the
15 Director shall submit a report to the Committee on
16 the Judiciary of the House of Representatives and
17 the Committee on the Judiciary of the Senate on the
18 findings and recommendations of the Director from
19 the study required under paragraph (1).

20 (3) PATENT DEMAND LETTER DEFINED.—In
21 this subsection, the term “patent demand letter”
22 means a written communication relating to a patent
23 that states or indicates, directly or indirectly, that
24 the recipient or anyone affiliated with the recipient
25 is or may be infringing the patent.

1 (f) STUDY ON BUSINESS METHOD PATENT QUAL-
2 ITY.—

3 (1) GAO STUDY.—The Comptroller General of
4 the United States shall conduct a study on the vol-
5 ume and nature of litigation involving business
6 method patents.

7 (2) CONTENTS OF STUDY.—The study required
8 under paragraph (1) shall focus on examining the
9 quality of business method patents asserted in suits
10 alleging patent infringement, and may include an ex-
11 amination of any other areas that the Comptroller
12 General determines to be relevant.

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

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

3 (a) REPEAL OF CIVIL ACTION TO OBTAIN A PAT-
4 ENT.—

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

7 (2) CONFORMING AMENDMENTS.—

8 (A) FEDERAL CIRCUIT JURISDICTION.—
9 Section 1295(a)(4) of title 28, United States
10 Code, is amended—

11 (i) in subparagraph (A), by striking
12 “except that an applicant or a party” and
13 all that follows through the end of the sub-
14 paragraph and inserting the following: “ex-
15 cept that a party to a derivation pro-
16 ceeding may also have remedy by civil ac-
17 tion under section 146 of title 35; an ap-
18 peal under this subparagraph of a decision
19 of the Board with respect to a derivation
20 proceeding shall waive the right of such
21 party to proceed under section 146 of title
22 35;”; and

23 (ii) in subparagraph (C), by striking
24 “section 145, 146, or” and inserting “sec-
25 tion 146 or”.

1 (B) FEDERAL CIRCUIT APPEAL.—Section
2 141(a) of title 35, United States Code, is
3 amended—

4 (i) by striking “may appeal the
5 Board’s decision to” and inserting “may
6 appeal the Board’s decision only to”; and

7 (ii) by striking the second sentence.

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

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

16 (3) EFFECTIVE DATE.—The amendments made
17 by this subsection shall take effect on the date of the
18 enactment of this Act and apply to any proceeding
19 in which a decision is made by the Patent Trial and
20 Appeal Board on or after such date of enactment.

21 (b) POST-GRANT REVIEW AMENDMENT.—Section
22 325(e)(2) of title 35, United States Code is amended by
23 striking “or reasonably could have raised”.

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

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

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

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

7 (C) by adding at the end the following new
8 paragraph:

9 “(14) providing that for all purposes under this
10 chapter—

11 “(A) each claim of a patent shall be con-
12 strued as such claim would be in a civil action
13 to invalidate a patent under section 282(b), in-
14 cluding construing each claim of the patent in
15 accordance with the ordinary and customary
16 meaning of such claim as understood by one of
17 ordinary skill in the art and the prosecution
18 history pertaining to the patent; and

19 “(B) if a court has previously construed
20 the claim or a claim term in a civil action in
21 which the patent owner was a party, the Office
22 shall consider such claim construction.”.

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

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

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

5 (C) by adding at the end the following new
6 paragraph:

7 “(13) providing that for all purposes under this
8 chapter—

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

17 “(B) if a court has previously construed
18 the claim or a claim term in a civil action in
19 which the patent owner was a party, the Office
20 shall consider such claim construction.”.

21 (3) TECHNICAL AND CONFORMING AMEND-
22 MENT.—Section 18(a)(1)(A) of the Leahy-Smith
23 America Invents Act (Public Law 112–29; 126 Stat.
24 329; 35 U.S.C. 321 note) is amended by striking

1 “Section 321(c)” and inserting “Sections 321(c) and
2 326(a)(13)”.

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

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

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

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

17 “A claimed invention of a patent issued under section
18 151 (referred to as the ‘first patent’) that is not prior art
19 to a claimed invention of another patent (referred to as
20 the ‘second patent’) shall be considered prior art to the
21 claimed invention of the second patent for the purpose of
22 determining the nonobviousness of the claimed invention
23 of the second patent under section 103 if—

24 “(1) the claimed invention of the first patent
25 was effectively filed under section 102(d) on or be-

1 fore the effective filing date of the claimed invention
2 of the second patent;

3 “(2) either—

4 “(A) the first patent and second patent
5 name the same inventor; or

6 “(B) the claimed invention of the first pat-
7 ent would constitute prior art to the claimed in-
8 vention of the second patent under section
9 102(a)(2) if an exception under section
10 102(b)(2) were deemed to be inapplicable and
11 the claimed invention of the first patent was, or
12 were deemed to be, effectively filed under sec-
13 tion 102(d) before the effective filing date of
14 the claimed invention of the second patent; and

15 “(3) the patentee of the second patent has not
16 disclaimed the rights to enforce the second patent
17 independently from, and beyond the statutory term
18 of, the first patent.”.

19 (2) REGULATIONS.—The Director shall promul-
20 gate regulations setting forth the form and content
21 of any disclaimer required for a patent to be issued
22 in compliance with section 106 of title 35, United
23 States Code, as added by paragraph (1). Such regu-
24 lations shall apply to any disclaimer filed after a
25 patent has issued. A disclaimer, when filed, shall be

1 considered for the purpose of determining the valid-
2 ity of the patent under section 106 of title 35,
3 United States Code.

4 (3) CONFORMING AMENDMENT.—The table of
5 sections for chapter 10 of title 35, United States
6 Code, is amended by adding at the end the following
7 new item:

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

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

12 (5) EFFECTIVE DATE.—The amendments made
13 by this subsection shall take effect on the date of the
14 enactment of this Act and shall apply to a patent or
15 patent application only if both the first and second
16 patents described in section 106 of title 35, United
17 States Code, as added by paragraph (1), are patents
18 or patent applications that are described in section
19 3(n)(1) of the Leahy-Smith America Invents Act (35
20 U.S.C. 100 note).

21 (e) PTO PATENT REVIEWS.—

22 (1) CLARIFICATION.—

23 (A) SCOPE OF PRIOR ART.—Section
24 18(a)(1)(C)(i) of the Leahy-Smith America In-
25 vents Act (35 U.S.C. 321 note) is amended by

1 striking “section 102(a)” and inserting “sub-
2 section (a) or (e) of section 102”.

3 (B) EFFECTIVE DATE.—The amendment
4 made by subparagraph (A) shall take effect on
5 the date of the enactment of this Act and shall
6 apply to any proceeding pending on, or filed on
7 or after, such date of enactment.

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

13 (f) CLARIFICATION OF LIMITS ON PATENT TERM AD-
14 JUSTMENT.—

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

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

22 (B) in clause (i), by striking “consumed by
23 continued examination of the application re-
24 quested by the applicant” and inserting “con-

1 sumed after continued examination of the appli-
2 cation is requested by the applicant”;

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

5 (D) by striking the matter following clause
6 (iii).

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

12 (g) CLARIFICATION OF JURISDICTION.—

13 (1) IN GENERAL.—The Federal interest in pre-
14 venting inconsistent final judicial determinations as
15 to the legal force or effect of the claims in a patent
16 presents a substantial Federal issue that is impor-
17 tant to the Federal system as a whole.

18 (2) APPLICABILITY.—Paragraph (1)—

19 (A) shall apply to all cases filed on or
20 after, or pending on, the date of the enactment
21 of this Act; and

22 (B) shall not apply to a case in which a
23 Federal court has issued a ruling on whether
24 the case or a claim arises under any Act of
25 Congress relating to patents or plant variety

1 protection before the date of the enactment of
2 this Act.

3 (h) PATENT PILOT PROGRAM IN CERTAIN DISTRICT
4 COURTS DURATION.—

5 (1) DURATION.—Section 1(c) of Public Law
6 111–349 (124 Stat. 3674; 28 U.S.C. 137 note) is
7 amended to read as follows:

8 “(c) DURATION.—The program established under
9 subsection (a) shall be maintained using existing re-
10 sources, and shall terminate 20 years after the end of the
11 6-month period described in subsection (b).”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall take effect on the date of the
14 enactment of this Act.

15 (i) TECHNICAL CORRECTIONS.—

16 (1) NOVELTY.—

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

22 (B) EFFECTIVE DATE.—The amendment
23 made by subparagraph (A) shall be effective as
24 if included in the amendment made by section

1 3(b)(1) of the Leahy-Smith America Invents
2 Act (Public Law 112–29).

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

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

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

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

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

19 (3) ASSIGNEE FILERS.—

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

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

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

13 (4) DERIVED PATENTS.—

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

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

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

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

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

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

11 (B) EFFECTIVE DATE.—The amendment
12 made by this paragraph shall take effect on the
13 date of the enactment of this Act and shall
14 apply to any action in which the Office files a
15 complaint on or after such date of enactment.

16 (7) PATENT OWNER RESPONSE.—

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

22 (B) CONDUCT OF POST-GRANT REVIEW.—
23 Paragraph (8) of section 326(a) of title 35,
24 United States Code, is amended by striking

1 “the petition under section 323” and inserting
2 “the petition under section 321”.

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

6 (8) INTERNATIONAL APPLICATIONS.—

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

11 (i) by striking paragraph (7); and

12 (ii) by redesignating paragraphs (8)
13 and (9) as paragraphs (7) and (8), respec-
14 tively.

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

20 **SEC. 10. EFFECTIVE DATE.**

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

