

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.**

**S. 1137**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by \_\_\_\_\_

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

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

4 (a) **SHORT TITLE.**—This Act may be cited as the

5 “Protecting American Talent and Entrepreneurship Act

6 of 2015” or the “PATENT Act”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for

8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Pleading requirements for patent infringement actions.

Sec. 4. Customer-suit exception.

Sec. 5. Discovery limits.

Sec. 6. Procedures and practices to implement recommendations of the Judicial  
Conference.

- Sec. 7. Fees and other expenses.
- Sec. 8. Requirement of clarity and specificity in demand letters.
- Sec. 9. Abusive demand letters.
- Sec. 10. Transparency of patent transfer.
- Sec. 11. Inter partes review and post-grant proceedings.
- Sec. 12. Protection of intellectual property licenses in bankruptcy.
- Sec. 13. Small business education, outreach, and information access.
- Sec. 14. Studies on patent transactions, quality, and examination.
- Sec. 15. Technical corrections to the Leahy-Smith America Invents Act and other improvements.
- Sec. 16. Effective date.
- Sec. 17. Severability.

1 **SEC. 2. DEFINITIONS.**

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

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

8 **SEC. 3. PLEADING REQUIREMENTS FOR PATENT INFRINGE-**  
9 **MENT ACTIONS.**

10 (a) ELIMINATION OF FORM 18.—Not later than 1  
11 month after the date of enactment of this Act, the Su-  
12 preme Court, using existing resources, shall eliminate  
13 Form 18 in the Appendix to the Federal Rules of Civil  
14 Procedure (Complaint for Patent Infringement).

15 (b) PLEADING REQUIREMENTS.—

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

1 **“§ 281A. Pleading requirements for patent infringe-**  
2 **ment actions**

3 “(a) PLEADING REQUIREMENTS.—In a civil action in  
4 which a party asserts a claim for relief arising under any  
5 Act of Congress relating to patents, a party alleging in-  
6 fringement shall include in a complaint, counterclaim, or  
7 cross-claim for patent infringement, except as provided in  
8 subsection (c), the following:

9 “(1) An identification of each patent allegedly  
10 infringed.

11 “(2) An identification of each claim of each pat-  
12 ent identified under paragraph (1) that is allegedly  
13 infringed.

14 “(3) For each claim identified under paragraph  
15 (2), an identification of each accused process, ma-  
16 chine, manufacture, or composition of matter (re-  
17 ferred to in this section as an ‘accused instrumen-  
18 tality’) alleged to infringe the claim.

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

22 “(A) the name or model number (or a rep-  
23 resentative model number) of each accused in-  
24 strumentality; or

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

1           “(5) For each claim identified under paragraph  
2           (2), a description of the elements thereof that are al-  
3           leged to be infringed by the accused instrumentality  
4           and how the accused instrumentality is alleged to in-  
5           fringe those elements.

6           “(6) For each claim of indirect infringement, a  
7           description of the acts of the alleged infringer that  
8           are alleged to contribute to or induce the direct in-  
9           fringement.

10          “(b) DISMISSAL FOR FAILURE TO MEET PLEADING  
11 REQUIREMENTS.—The court shall, on the motion of any  
12 party, dismiss any count or counts of the complaint, coun-  
13 terclaim, or cross-claim for patent infringement if the re-  
14 quirements of paragraphs (1) through (6) of subsection  
15 (a) are not met with respect to such count or counts. The  
16 fact that a party pleads in accordance with subsection (c)  
17 shall not be a basis for dismissal if the party nonetheless  
18 states a plausible claim for relief sufficient under the Fed-  
19 eral Rules of Civil Procedure.

20          “(c) INFORMATION NOT ACCESSIBLE.—If some sub-  
21 set of information required to comply with subsection (a)  
22 is not accessible to a party after an inquiry reasonable  
23 under the circumstances, consistent with rule 11 of the  
24 Federal Rules of Civil Procedure, an allegation requiring  
25 that information may be based upon a general description

1 of that information, along with a statement as to why the  
2 information is not accessible.

3 “(d) AMENDMENT OF PLEADINGS.—Nothing in this  
4 provision shall be construed to affect a party’s leave to  
5 amend pleadings as specified in the Federal Rules of Civil  
6 Procedure. Amendments permitted by the court are sub-  
7 ject to the pleading requirements set forth in this section.

8 “(e) CONFIDENTIAL INFORMATION.—A party re-  
9 quired to disclose information described under subsection  
10 (a) may file information believed to be confidential under  
11 seal, with a motion setting forth good cause for such seal-  
12 ing. If such motion is denied by the court, the party may  
13 seek to file an amended pleading.

14 “(f) EXEMPTION.—Subsection (a) shall not apply to  
15 a civil action that includes a claim for relief arising under  
16 section 271(e).

17 **“§ 281B. Early disclosure requirements for patent in-**  
18 **fringement actions**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘financial interest’—

21 “(A) means—

22 “(i) with regard to a patent or pat-  
23 ents, the right of a person to receive pro-  
24 ceeds from the assertion of the patent or

1 patents, including a fixed or variable por-  
2 tion of such proceeds; and

3 “(ii) with regard to the patentee, di-  
4 rect or indirect ownership or control by a  
5 person of more than 20 percent of the pat-  
6 entee; and

7 “(B) does not mean—

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

13 “(ii) the proprietary interest of a pol-  
14 icyholder in a mutual insurance company  
15 or a depositor in a mutual savings associa-  
16 tion, or a similar proprietary interest, un-  
17 less the outcome of the proceeding could  
18 substantially affect the value of such inter-  
19 est;

20 “(2) the term ‘patentee’ means a party in a  
21 civil action that files a pleading subject to the re-  
22 quirements of section 281A;

23 “(3) the term ‘proceeding’ means all stages of  
24 a civil action, including pretrial and trial proceedings  
25 and appellate review; and

1           “(4) the term ‘ultimate parent entity’ has the  
2           meaning given the term in section 261A.

3           “(b) EARLY DISCLOSURE REQUIREMENTS.—Not-  
4           withstanding the requirements of section 299B, a patentee  
5           shall disclose to the court and each adverse party, not later  
6           than 14 days after the date on which the patentee serves  
7           or files the pleading subject to the requirements of section  
8           281A—

9           “(1) the identity of each—

10           “(A) assignee of the patent or patents at  
11           issue, and any ultimate parent entity thereof;

12           “(B) entity with a right to sublicense to  
13           unaffiliated entities or to enforce the patent or  
14           patents at issue, and any ultimate parent entity  
15           thereof; and

16           “(C) entity, other than an entity the ulti-  
17           mate parent of which is disclosed under sub-  
18           paragraph (A) or (B), that the patentee knows  
19           to have a financial interest in—

20           “(i) the patent or patents at issue; or

21           “(ii) the patentee, and any ultimate  
22           parent entity thereof; and

23           “(2) for each patent that the patentee alleges to  
24           be infringed—

1           “(A) a list of each complaint, counterclaim,  
2           or cross-claim filed by the patentee or an affil-  
3           iate thereof in the United States during the 3-  
4           year period preceding the date of the filing of  
5           the action, and any other complaint, counter-  
6           claim, or cross-claim filed in the United States  
7           during that period of which the patentee has  
8           knowledge, that asserts or asserted such patent,  
9           including—

10                   “(i) the caption;

11                   “(ii) civil action number;

12                   “(iii) the court where the action was  
13           filed; and

14                   “(iv) if applicable, any court to which  
15           the action was transferred;

16           “(B) a statement as to whether the patent  
17           is subject to an assurance made by the party to  
18           a standards development organization to license  
19           others under such patent if—

20                   “(i) the assurance specifically identi-  
21           fies such patent or claims therein; and

22                   “(ii) the allegation of infringement re-  
23           lates to such standard; and



1           “(C) a statement as to whether the Fed-  
2           eral Government has imposed specific licensing  
3           requirements with respect to such patent.

4           “(c) DISCLOSURE OF FINANCIAL INTEREST.—

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

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

16                 “(A) in the case of a partnership, the  
17                 name of the partnership, the address of the  
18                 principal place of business, and the name and  
19                 correspondence address of the registered agent;

20                 “(B) in the case of a corporation, the  
21                 name of the corporation, the location of incor-  
22                 poration, and the address of the principal place  
23                 of business; and

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

1       “(d) PROVISION OF INFORMATION TO THE UNITED  
2 STATES PATENT AND TRADEMARK OFFICE.—Not later  
3 than 1 month after the date on which the disclosures re-  
4 quired under subsection (b) are made, the patentee shall  
5 provide to the United States Patent and Trademark Office  
6 a filing containing the information disclosed pursuant to  
7 subsection (b)(1).

8       “(e) CONFIDENTIAL INFORMATION.—

9           “(1) IN GENERAL.—A patentee required to dis-  
10 close information under subsection (b) may file,  
11 under seal, information believed to be confidential,  
12 with a motion setting forth good cause for such seal-  
13 ing.

14           “(2) HOME ADDRESS INFORMATION.—For pur-  
15 poses of this section, the home address of an indi-  
16 vidual shall be considered to be confidential informa-  
17 tion.”.

18           “(2) CONFORMING AMENDMENT.—The table of  
19 sections for chapter 29 of title 35, United States  
20 Code, is amended by inserting after the item relating  
21 to section 281 the following new items:

“281A. Pleading requirements for patent infringement actions.

“281B. Early disclosure requirements for patent infringement actions.”.

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

2 (a) IN GENERAL.—Chapter 29 of title 35, United  
3 States Code, is amended by adding at the end the fol-  
4 lowing:

5 **“§ 299A. Customer stay**

6 “(a) DEFINITIONS.—In this section—

7 “(1) the term ‘covered customer’ means a re-  
8 tailer or end user that is accused of infringing a pat-  
9 ent or patents in dispute based on—

10 “(A) the sale, or offer for sale, of a covered  
11 product or covered process without material  
12 modification of the product or process in a  
13 manner that is alleged to infringe a patent or  
14 patents in dispute; or

15 “(B) the use by such retailer, the retailer’s  
16 end user customer, or an end user of a covered  
17 product or covered process without material  
18 modification of the product or process in a  
19 manner that is alleged to infringe a patent or  
20 patents in dispute;

21 “(2) the term ‘covered manufacturer’ means a  
22 person who manufactures or supplies, or causes the  
23 manufacture or supply of, a covered product or cov-  
24 ered process, or a relevant part thereof;

25 “(3) the term ‘covered process’ means a proc-  
26 ess, method, or a relevant part thereof, that is al-

1       leged to infringe the patent or patents in dispute  
2       where such process, method, or relevant part thereof  
3       is implemented by an apparatus, material, system,  
4       software or other instrumentality that is provided by  
5       the covered manufacturer;

6               “(4) the term ‘covered product’ means a compo-  
7       nent, product, system, service, or a relevant part  
8       thereof, that—

9               “(A) is alleged to infringe the patent or  
10       patents in dispute; or

11              “(B) implements a process alleged to in-  
12       fringe the patent or patents in dispute;

13              “(5) for purposes of this section, the term ‘end  
14       user’ shall include an affiliate of such an end user,  
15       but shall not include an entity that manufactures or  
16       causes the manufacture of a covered product or cov-  
17       ered process or a relevant part thereof;

18              “(6) the term ‘retailer’ means an entity that  
19       generates its revenues predominately through the  
20       sale to the public of consumer goods or services, or  
21       an affiliate of such entity, but shall not include an  
22       entity that manufactures or causes the manufacture  
23       of a covered product or covered process or a relevant  
24       part thereof; and

1           “(7) for purposes of the definitions in para-  
2           graphs (5) and (6), the terms ‘use’ and ‘sale’ mean  
3           the use and the sale, respectively, within the mean-  
4           ings given those terms under section 271.

5           “(b) MOTION FOR STAY.—In a civil action in which  
6           a party asserts a claim for relief arising under any Act  
7           of Congress relating to patents (other than an action that  
8           includes a cause of action described in section 271(e)), the  
9           court shall grant a motion to stay at least the portion of  
10          the action against a covered customer that relates to in-  
11          fringement of a patent involving a covered product or cov-  
12          ered process if—

13           “(1) the covered manufacturer is a party to the  
14          action or a separate action in a Federal court of the  
15          United States involving the same patent or patents  
16          relating to the same covered product or covered  
17          process;

18           “(2) the covered customer agrees to be bound  
19          as to issues determined in an action described in  
20          paragraph (1) without a full and fair opportunity to  
21          separately litigate any such issue, but only as to  
22          those issues for which all other elements of the com-  
23          mon law doctrine of issue preclusion are met; and

24           “(3) the motion is filed after the first pleading  
25          in the action but not later than the later of—

1           “(A) 90 days after service of the first  
2           pleading or paper in the action that specifically  
3           identifies the covered product or covered proc-  
4           ess as a basis for the alleged infringement of  
5           the patent by the covered customer, and specifi-  
6           cally identifies how the covered product or cov-  
7           ered process is alleged to infringe the patent; or

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

10          “(c) MANUFACTURER CONSENT IN CERTAIN  
11          CASES.—If the covered manufacturer has been made a  
12          party to the action on motion by the covered customer,  
13          then a motion under subsection (b) may only be granted  
14          if the covered manufacturer and the covered customer  
15          agree in writing to the stay.

16          “(d) 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 major issues in the  
22                         suit against the covered customer, such as that  
23                         a covered product or covered process identified  
24                         in the motion to lift the stay is not a material

1 part of the claimed invention or inventions in  
2 the patent or patents in dispute; or

3 “(B) the stay unreasonably prejudices or  
4 would be manifestly unjust to the party seeking  
5 to lift the stay.

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

13 “(e) WAIVER OF ESTOPPEL EFFECT.—If, following  
14 the grant of a motion to stay under this section, the cov-  
15 ered manufacturer in an action described in subsection  
16 (b)(1)—

17 “(1) obtains or consents to entry of a consent  
18 judgment involving one or more of the issues that  
19 gave rise to the stay; or

20 “(2) fails to prosecute to a final, non-appealable  
21 judgment a final decision as to one or more of the  
22 issues that gave rise to the stay,

23 the court may, upon motion, determine that such consent  
24 judgment or unappealed final decision shall not be binding  
25 on the covered customer with respect to one or more of

1 the issues that gave rise to the stay based on a showing  
2 that such an outcome would unreasonably prejudice or be  
3 manifestly unjust to the covered customer in light of the  
4 circumstances of the case.

5 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-  
6 tion shall be construed to limit the ability of a court to  
7 grant any stay, expand any stay granted pursuant to this  
8 section, or grant any motion to intervene, if otherwise per-  
9 mitted by law.”.

10 (b) CONFORMING AMENDMENT.—The table of sec-  
11 tions for chapter 29 of title 35, United States Code, is  
12 amended by adding at the end the following:

“299A. Customer stay.”.

13 **SEC. 5. DISCOVERY LIMITS.**

14 (a) AMENDMENT.—Chapter 29 of title 35, United  
15 States Code, as amended by section 4, is amended by add-  
16 ing at the end the following:

17 **“§ 299B. Discovery in patent infringement action**

18 “(a) DISCOVERY IN PATENT INFRINGEMENT AC-  
19 TION.—

20 “(1) IN GENERAL.—Except as provided in sub-  
21 sections (b) and (c), in a civil action arising under  
22 any Act of Congress relating to patents, discovery  
23 shall be stayed during the pendency of 1 or more  
24 motions described in paragraph (2) if the motion or



1 motions were filed prior to the first responsive plead-  
2 ing.

3 “(2) MOTIONS DESCRIBED.—The motions de-  
4 scribed in this paragraph are—

5 “(A) a motion to dismiss;

6 “(B) a motion to transfer venue; and

7 “(C) a motion to sever accused infringers.

8 “(b) DISCRETION TO EXPAND SCOPE OF DIS-  
9 COVERY.—

10 “(1) RESOLUTION OF MOTIONS.—A court may  
11 allow limited discovery necessary to resolve a motion  
12 described in subsection (a) or a motion for prelimi-  
13 nary relief properly raised by a party before or dur-  
14 ing the pendency of a motion described in subsection  
15 (a).

16 “(2) ADDITIONAL DISCOVERY.—On motion, a  
17 court may allow additional discovery if the court  
18 finds that such discovery is necessary to preserve  
19 evidence or otherwise prevent specific prejudice to a  
20 party.

21 “(c) EXCLUSION FROM DISCOVERY LIMITATION.—

22 “(1) VOLUNTARY EXCLUSION.—The parties to  
23 an action described in subsection (a) may voluntarily  
24 consent to be excluded, in whole or in part, from the  
25 limitation on discovery under subsection (a).

1           “(2) CLAIMS UNDER SECTION 271(e).—This  
2 section shall not apply to a civil action that includes  
3 a claim for relief arising under section 271(e).

4           “(d) RULES OF CONSTRUCTION.—

5           “(1) TIMELINE FOR RESPONSIVE PLEADINGS.—  
6 Nothing in this section shall be construed to alter  
7 the time provided by the Federal Rules of Civil Pro-  
8 cedure for the filing of responsive pleadings.

9           “(2) EXCHANGE OF CONTENTIONS.—Nothing  
10 in this section shall prohibit a court from ordering  
11 or local rules from requiring the exchange of conten-  
12 tions regarding infringement, non-infringement, in-  
13 validity or other issues, by interrogatories or other  
14 written initial disclosures, at an appropriate time de-  
15 termined by the court.”.

16           (b) CONFORMING AMENDMENT.—The table of sec-  
17 tions for chapter 29 of title 35, United States Code, as  
18 amended by section 4, is amended by inserting after the  
19 item relating to section 299A the following:

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

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

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

1           (1) RULES AND PROCEDURES.—The Judicial  
2 Conference of the United States, using existing re-  
3 sources, should develop rules and procedures to im-  
4 plement the discovery proposals described in para-  
5 graph (2) to address concerns regarding the  
6 asymmetries in discovery burdens and costs that  
7 may arise in a civil action arising under any Act of  
8 Congress relating to patents.

9           (2) RULES AND PROCEDURES TO BE CONSID-  
10 ERED.—The rules and procedures to be developed  
11 under paragraph (1) should address each of the fol-  
12 lowing:

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

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

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

5 (C) ADDITIONAL DOCUMENT DISCOVERY.—  
6 The manner and extent to which the following  
7 should apply:

8 (i) IN GENERAL.—Each party to the  
9 action may seek any additional document  
10 discovery beyond core documentary evi-  
11 dence as permitted under the Federal  
12 Rules of Civil Procedure, if such party  
13 bears the reasonable costs, including rea-  
14 sonable attorney’s fees, of the additional  
15 document discovery.

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

1 the financial capacity to pay the costs of  
2 such additional document discovery.

3 (iii) 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 (iv) 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 The manner and extent to which the parties  
3 shall discuss and address in the written report  
4 filed pursuant to rule 26(f) of the Federal  
5 Rules of Civil Procedure the views and pro-  
6 posals of each party on the 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.

17 (3) SCOPE OF DOCUMENTARY EVIDENCE.—In  
18 developing rules or procedures under this section,  
19 the Judicial Conference should consider which kinds  
20 of evidence constitute “core documentary evidence”.

21 (4) DEFINITIONS.—In this subsection the term  
22 “electronic communication” means any form of elec-  
23 tronic communication, including email, text message,  
24 or instant message.

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

9 (1) will identify any potential dispositive issues  
10 of the case; and

11 (2) focus on early summary judgment motions  
12 when resolution of issues may lead to expedited dis-  
13 position of the case.

14 **SEC. 7. FEES AND OTHER EXPENSES.**

15 (a) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that, in patent cases, reasonable attorney fees should  
17 be paid by a non-prevailing party whose litigation position  
18 or conduct is not objectively reasonable. As the Supreme  
19 Court wrote in adopting this legal standard in the context  
20 of fee shifting under section 1447 of title 28, United  
21 States Code, this standard is intended to strike a balance;  
22 in patent cases, a more appropriate balance between pro-  
23 tecting the right of a patent holder to enforce its patent  
24 on the one hand, and deterring abuses in patent litigation  
25 and threats thereof on the other.

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

3 **“§ 285. Fees and other expenses**

4 “(a) AWARD.—In connection with a civil action in  
5 which any party asserts a claim for relief arising under  
6 any Act of Congress relating to patents, upon motion by  
7 a prevailing party, the court shall determine whether the  
8 position of the non-prevailing party was objectively reason-  
9 able in law and fact, and whether the conduct of the non-  
10 prevailing party was objectively reasonable. If the court  
11 finds that the position of the non-prevailing party was not  
12 objectively reasonable in law or fact or that the conduct  
13 of the non-prevailing party was not objectively reasonable,  
14 the court shall award reasonable attorney fees to the pre-  
15 vailing party unless special circumstances, such as undue  
16 economic hardship to a named inventor or an institution  
17 of higher education (as defined in section 101(a) of the  
18 Higher Education Act of 1965 (20 U.S.C. 1001(a))),  
19 would make an award unjust. The prevailing party shall  
20 bear the burden of demonstrating that the prevailing party  
21 is entitled to an award.

22 “(b) COVENANT NOT TO SUE.—A party to a civil ac-  
23 tion who asserts a claim for relief arising under any Act  
24 of Congress relating to patents against another party, and  
25 who subsequently unilaterally (i) seeks dismissal of the ac-



1 tion without consent of the other party and (ii) extends  
2 to such other party a covenant not to sue for infringement  
3 with respect to the patent or patents at issue, may be the  
4 subject of a motion for attorney fees under subsection (a)  
5 as if it were a non-prevailing party, unless the party as-  
6 serting such claim would have been entitled, at the time  
7 that such covenant was extended, to dismiss voluntarily  
8 the action without a court order under rule 41 of the Fed-  
9 eral Rules of Civil Procedure, or the interests of justice  
10 require otherwise.

11 “(c) RECOVERY OF AWARD.—

12 “(1) CERTIFICATION; DISCLOSURE OF INTER-  
13 ESTED PARTIES.—

14 “(A) INITIAL STATEMENT.—A party de-  
15 fending against a claim of infringement may  
16 file, not later than 14 days before a scheduling  
17 conference is to be held or a scheduling order  
18 is due under rule 16(b) of the Federal Rules of  
19 Civil Procedure, a statement that such party  
20 holds a good faith belief, based on publicly-  
21 available information and any other information  
22 known to such party, that the primary business  
23 of the party alleging infringement is the asser-  
24 tion and enforcement of patents or the licensing  
25 resulting therefrom.

1           “(B) CERTIFICATION.—Not later than 45  
2 days after being served with an initial state-  
3 ment under subparagraph (A), a party alleging  
4 infringement shall file a certification that—

5           “(i) establishes and certifies to the  
6 court, under oath, that it will have suffi-  
7 cient funds available to satisfy any award  
8 of reasonable attorney fees under this sec-  
9 tion if an award is assessed;

10           “(ii) demonstrates that its primary  
11 business is not the assertion and enforce-  
12 ment of patents or the licensing resulting  
13 therefrom;

14           “(iii) identifies interested parties, if  
15 any, as defined in paragraph (2) of this  
16 subsection; or

17           “(iv) states that it has no such inter-  
18 ested parties.

19 A party alleging infringement shall have an on-  
20 going obligation to supplement its certification  
21 under this subparagraph within 30 days after a  
22 material change to the information provided in  
23 its certification.

24           “(C) NOTICE TO INTERESTED PARTY.—A  
25 party that files a certification under subpara-

1 graph (B)(iii) shall, prior to filing the certifi-  
2 cation, provide each identified interested party  
3 actual notice in writing by service of notice in  
4 any district where the interested party may be  
5 found, such that jurisdiction shall be estab-  
6 lished over each interested party to the action  
7 for purposes of enforcing an award of attorney  
8 fees under this section, consistent with the Con-  
9 stitution of the United States. The notice shall  
10 identify the action, the parties, the patents at  
11 issue, and the interest qualifying the party to  
12 be an interested party. The notice shall inform  
13 the recipient that the recipient may be held ac-  
14 countable under this subsection for any award  
15 of attorney fees, or a portion thereof, resulting  
16 from the action in the event the party alleging  
17 infringement cannot satisfy the full amount of  
18 such an award, unless the recipient renounces  
19 its interest pursuant to subparagraph (E) or is  
20 otherwise exempt from the applicability of this  
21 subsection.

22 “(D) ACCOUNTABILITY FOR INTERESTED  
23 PARTIES.—Any interested parties who are time-  
24 ly served with actual notice pursuant to sub-  
25 paragraph (C) and do not renounce their inter-

1           ests pursuant to subparagraph (E) or are not  
2           otherwise exempt from the applicability of this  
3           subsection may be held accountable for any  
4           fees, or a portion thereof, awarded under this  
5           section in the event that the party alleging in-  
6           fringement cannot satisfy the full amount of the  
7           award. If a true and correct certification under  
8           clause (i) or (ii) of subparagraph (B) is timely  
9           filed with the court, interested parties shall not  
10          be subject to this subparagraph.

11           “(E) RENUNCIATION OF INTEREST.—Any  
12          recipient of a notice under subparagraph (C)  
13          may submit a statement of renunciation of in-  
14          terest in a binding document with notice to the  
15          court and parties in the action not later than  
16          90 days after receipt of the notice under sub-  
17          paragraph (C). The statement shall be required  
18          to renounce only such interest as would qualify  
19          the recipient as an interested party.

20           “(F) INSTITUTIONS OF HIGHER EDU-  
21          CATION EXCEPTION.—Any institution of higher  
22          education (as defined in section 101(a) of the  
23          Higher Education Act of 1965 (20 U.S.C.  
24          1001(a)) or under equivalent laws in foreign ju-  
25          risdictions), or a non-profit technology transfer

1 organization whose primary purpose is to facili-  
2 tate the commercialization of technologies devel-  
3 oped by 1 or more institutions of higher edu-  
4 cation, may exempt itself from the applicability  
5 of this subsection by filing a certification that  
6 it qualifies for the exception provided for in this  
7 subparagraph with the court and providing no-  
8 tice to the parties.

9 “(G) INTEREST OF JUSTICE EXCEPTION.—

10 Any recipient of a notice under subparagraph  
11 (C) may intervene in the action for purposes of  
12 contesting its identification as an interested  
13 party or its liability under this subsection, and  
14 a court may exempt any party identified as an  
15 interested party from the applicability of this  
16 subsection as the interest of justice requires.

17 “(2) INTERESTED PARTY.—In this section, the  
18 term ‘interested party’—

19 “(A) means a person who has a substantial  
20 financial interest related to the proceeds from  
21 any settlement, license, or damages award re-  
22 sulting from the enforcement of the patent in  
23 the action by the party alleging infringement;

24 “(B) does not include an attorney or law  
25 firm providing legal representation in the action

1 if the sole basis for the financial interest of the  
2 attorney or law firm in the outcome of the ac-  
3 tion arises from the attorney or law firm's re-  
4 ceipt of compensation reasonably related to the  
5 provision of the legal representation;

6 “(C) does not include a person who has as-  
7 signed all right, title, and interest in a patent,  
8 except for passive receipt of income, to an enti-  
9 ty described in paragraph (1)(F), or who has a  
10 right to receive any portion of such passive in-  
11 come;

12 “(D) does not include a person who would  
13 be an interested party under subparagraph (A)  
14 but whose financial interest is based solely on  
15 an equity or security interest established when  
16 the party alleging infringement's primary busi-  
17 ness was not the assertion and enforcement of  
18 patents or the licensing resulting therefrom;  
19 and

20 “(E) does not include an insured deposi-  
21 tory institution as defined in section  
22 19(b)(1)(A) of the Federal Reserve Act (12  
23 U.S.C. 461(b)(1)(A)) if the sole basis for the fi-  
24 nancial interest arises from a loan or other debt  
25 obligation.

1 “(d) CLAIMS UNDER SECTION 271(e).—

2 “(1) APPLICABILITY.—Subsections (a), (b), and  
3 (c) shall not apply to a civil action that includes a  
4 claim for relief arising under section 271(e).

5 “(2) AWARD IN CERTAIN CLAIMS UNDER SEC-  
6 TION 271(e).—In a civil action that includes a claim  
7 for relief arising under section 271(e), the court may  
8 in exceptional cases award reasonable attorney fees  
9 to the prevailing party.”.

10 (c) CONFORMING AMENDMENT AND AMENDMENT.—

11 (1) CONFORMING AMENDMENT.—The item re-  
12 lating to section 285 of the table of sections for  
13 chapter 29 of title 35, United States Code, is  
14 amended to read as follows:

“285. Fees and other expenses.”.

15 (2) AMENDMENT.—Section 273 of title 35,  
16 United States Code, is amended by striking sub-  
17 sections (f) and (g).

18 **SEC. 8. REQUIREMENT OF CLARITY AND SPECIFICITY IN**  
19 **DEMAND LETTERS.**

20 (a) IN GENERAL.—Chapter 29 of title 35, United  
21 States Code, as amended by section 5, is amended by add-  
22 ing at the end the following:

23 **“§ 299C. Pre-suit written notice**

24 “(a) APPLICABILITY.—Subsection (b) shall not  
25 apply—

1           “(1) to written communication between par-  
2 ties—

3           “(A) regarding existing licensing agree-  
4 ments;

5           “(B) as part of an ongoing licensing nego-  
6 tiation, provided that the initial written notice  
7 complied with the requirements of subsection  
8 (b) of this section; or

9           “(C) sent after the initial written notice,  
10 provided that the initial written notice complied  
11 with the requirements of subsection (b) of this  
12 section; or

13           “(2) if the court determines it is in the interest  
14 of justice to waive the requirements of subsection  
15 (b).

16           “(b) WRITTEN NOTIFICATION REQUIREMENTS.—

17           “(1) IN GENERAL.—In a civil action alleging in-  
18 fringement of a patent in which the plaintiff has  
19 provided written notice of the accusation of infringe-  
20 ment to the party accused of infringement prior to  
21 filing the action, the initial written notice shall con-  
22 tain the information required under paragraph (2)  
23 or be subject to paragraph (3).

24           “(2) REQUIRED INFORMATION PROVIDED IN  
25 INITIAL WRITTEN NOTICE.—The initial written no-



1        tice described in paragraph (1) shall contain, at a  
2        minimum—

3                “(A) an identification of—

4                        “(i) each patent believed to be in-  
5                        fringed, including the patent number; and

6                        “(ii) at least one claim of each patent  
7                        that is believed to be infringed;

8                “(B) an identification of each product,  
9        process, apparatus, or chemical composition, in-  
10       including any manufacturer thereof, that is be-  
11       lieved to infringe one or more claims of each  
12       patent under subparagraph (A);

13                “(C) a clear and detailed description of the  
14       reasons why the plaintiff believes each patent  
15       identified under subparagraph (A) is infringed;

16                “(D) notice to the intended recipient that  
17       the intended recipient may have the right to a  
18       stay of any suit in accordance with section  
19       299A;

20                “(E) the identity of any person with the  
21       right to enforce each patent under subpara-  
22       graph (A); and

23                “(F) if compensation is proposed, a short  
24       and plain statement as to how that proposed  
25       compensation was determined.

1           “(3) ADDITIONAL TIME TO RESPOND.—If the  
2           initial written notice provided to the defendant prior  
3           to the filing of the civil action did not contain the  
4           information required by paragraph (2), the defend-  
5           ant’s time to respond to the complaint shall be ex-  
6           tended by an additional 30 days.”.

7           (b) CONFORMING AMENDMENT.—The table of sec-  
8           tions for chapter 29 of title 35, United States Code, as  
9           amended by section 5, is amended by adding at the end  
10          the following:

          “299C. Pre-suit written notice.”.

11          (c) WILLFUL INFRINGEMENT.—Section 284 of title  
12          35, United States Code, is amended—

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

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

20                 (3) by inserting after subsection (b), as des-  
21                 ignated by subparagraph (B), the following:

22                 “(c) WILLFUL INFRINGEMENT.—A claimant seeking  
23                 to establish willful infringement may not rely on evidence  
24                 of pre-suit notification of infringement unless that notifi-

1 cation complies with the standards set out in section  
2 299C(b)(2).”; and

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

6 (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall take effect on the date that is 1 year  
8 after the date of enactment of this Act and shall apply  
9 to any action for which a complaint is filed on or after  
10 that date.

11 **SEC. 9. ABUSIVE DEMAND LETTERS.**

12 (a) BAD-FAITH DEMAND LETTERS.—Chapter 29 of  
13 title 35, United States Code, as amended by section 8,  
14 is amended by adding at the end the following:

15 **“§ 299D. Bad-faith demand letters**

16 “(a) DEFINITION.—In this section, the term ‘affili-  
17 ated person’ means a person affiliated with the intended  
18 recipient of a written communication.

19 “(b) CIVIL PENALTIES FOR CERTAIN UNFAIR OR DE-  
20 CEPTIVE ACTS OR PRACTICES IN CONNECTION WITH  
21 ABUSIVE DEMAND LETTERS.—An unfair or deceptive act  
22 or practice within the meaning of section 5(a)(1) of the  
23 Federal Trade Commission Act (15 U.S.C. 45(a)(1)), in  
24 connection with the widespread sending of written commu-  
25 nications representing that the intended recipients, or any

1 persons affiliated with those recipients, are or may be in-  
2 fringing, or have or may have infringed, a patent and may  
3 bear liability or owe compensation to another, shall be  
4 treated as a violation of a rule defining an unfair or decep-  
5 tive act or practice described under section 18(a)(1)(B)  
6 of the Federal Trade Commission Act (15 U.S.C.  
7 57a(a)(1)(B)) if—

8 “(1)(A) the communications falsely—

9 “(i) represent that administrative or judi-  
10 cial relief has been sought against the recipient  
11 or others; or

12 “(ii) threaten litigation if compensation is  
13 not paid, the infringement issue is not other-  
14 wise resolved, or the communication is not re-  
15 sponded to; and

16 “(B) there is a pattern of false representations  
17 or threats described in subparagraph (A) having  
18 been made without litigation or other relief then  
19 having been pursued;

20 “(2) the assertions contained in the commu-  
21 nications lack a reasonable basis in fact or law, be-  
22 cause—

23 “(A) the person asserting the patent is not  
24 a person, or does not represent a person, with  
25 the current right to license the patent to, or to

1 enforce the patent against, the intended recipi-  
2 ents or any affiliated persons;

3 “(B) the communications seek compensa-  
4 tion on account of activities undertaken after  
5 the patent has expired;

6 “(C) the communications seek compensa-  
7 tion for a patent that has been held to be in-  
8 valid or unenforceable in a final judicial or ad-  
9 ministrative proceeding that is unappealable or  
10 for which any opportunity for appeal is no  
11 longer available;

12 “(D) the communications seek compensa-  
13 tion for activities by the recipient that the send-  
14 er knows do not infringe the patent because  
15 such activities are authorized by the patentee;

16 “(E) the communications falsely represent  
17 that an investigation of the recipient’s alleged  
18 infringement has occurred; or

19 “(F) the communications falsely represent  
20 that litigation has been filed against, or a li-  
21 cense has been paid by persons similarly situ-  
22 ated to the recipient; or

23 “(3) the content of the written communications  
24 is likely to materially mislead a reasonable recipient

1 because the content fails to include facts reasonably  
2 necessary to inform the recipient—

3 “(A) of the identity of the person asserting  
4 a right to license the patent to, or enforce the  
5 patent against, the intended recipient or any af-  
6 filiated person;

7 “(B) of the patent issued by the United  
8 States Patent and Trademark Office alleged to  
9 have been infringed; and

10 “(C) if infringement or the need to pay  
11 compensation for a license is alleged, of an  
12 identification of at least one product, service, or  
13 other activity of the recipient that is alleged to  
14 infringe the identified patent or patents and,  
15 unless the information is not readily accessible,  
16 an explanation of the basis for such allegation.

17 “(c) ENFORCEMENT BY FEDERAL TRADE COMMIS-  
18 SION.—

19 “(1) POWERS OF COMMISSION.—The Federal  
20 Trade Commission shall enforce this section in the  
21 same manner, by the same means, and with the  
22 same jurisdiction, powers, and duties as though all  
23 applicable terms and provisions of the Federal Trade  
24 Commission Act (15 U.S.C. 41 et seq.) were incor-  
25 porated into and made a part of this section.

1           “(2) PRIVILEGES AND IMMUNITIES.—Any per-  
2           son who engages in an act or practice described in  
3           subsection (b) shall be subject to the penalties and  
4           entitled to the privileges and immunities provided in  
5           the Federal Trade Commission Act (15 U.S.C. 41 et  
6           seq.).

7           “(d) AUTHORITY PRESERVED.—Nothing in this sec-  
8           tion shall be construed to—

9           “(1) limit, modify, or expand the authority of  
10          the Federal Trade Commission under any other pro-  
11          vision of law; or

12          “(2) alter any defense currently available under  
13          the Federal Trade Commission Act (15 U.S.C. 41 et  
14          seq.).”.

15          (b) TECHNICAL AND CONFORMING AMENDMENT.—  
16          The table of sections for chapter 29 of title 35, United  
17          States Code, as amended by section 8, is amended by in-  
18          serting after the item relating to section 299C the fol-  
19          lowing:

          “299D. Bad-faith demand letters.”.

20       **SEC. 10. TRANSPARENCY OF PATENT TRANSFER.**

21          (a) PATENT AND TRADEMARK OFFICE PRO-  
22          CEEDINGS.—

23          (1) IN GENERAL.—Chapter 26 of title 35,  
24          United States Code, is amended by inserting after  
25          section 261 the following:

1 **“§ 261A. Disclosure of information relating to patent**  
2 **ownership**

3 “(a) DEFINITIONS.—In this section:

4 “(1) PERIOD OF NONCOMPLIANCE.—The term  
5 ‘period of noncompliance’ refers to a period of time  
6 during which the assignee or the ultimate parent en-  
7 tity of an assignee of a patent has not been disclosed  
8 to the United States Patent and Trademark Office  
9 in accordance with this section.

10 “(2) ULTIMATE PATENT ENTITY.—

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

16 “(B) MODIFICATION OF DEFINITION.—The  
17 Director may by regulation modify the defini-  
18 tion of the term ‘ultimate parent entity’.

19 “(b) REQUIREMENT TO DISCLOSE ASSIGNMENT.—  
20 An assignment of all substantial rights in an issued patent

21 shall be recorded in the Patent and Trademark Office—

22 “(1) not later than the date on which the pat-  
23 ent is issued; and

24 “(2) when any subsequent assignment is made  
25 that results in a change to the ultimate parent enti-  
26 ty—



1           “(A) not later than 3 months after the  
2           date on which such assignment is made; or

3           “(B) in the case of an assignment made as  
4           part of a corporate acquisition that meets the  
5           reporting thresholds under section 7A(a)(2) of  
6           the Clayton Act (15 U.S.C. 18a(a)(2)), not  
7           later than 6 months after the closing date of  
8           such acquisition.

9           “(c) DISCLOSURE REQUIREMENTS.—A disclosure  
10          under subsection (b) shall include the name of the assignee  
11          and the ultimate parent entity of the assignee.

12          “(d) FAILURE TO COMPLY.—In a civil action in  
13          which a party asserts a claim for infringement of a patent,  
14          if there was a failure to comply with subsection (b) for  
15          the patent—

16                 “(1) the party asserting infringement of the  
17                 patent may not recover increased damages under  
18                 section 284 or attorney fees under section 285 with  
19                 respect to infringing activities taking place during  
20                 any period of noncompliance, unless the denial of  
21                 such damages or fees would be manifestly unjust;  
22                 and

23                 “(2) the court shall award to a prevailing ac-  
24                 cused infringer reasonable attorney fees and ex-  
25                 penses incurred in discovering the identity of any

1       undisclosed entity required to be disclosed under  
2       subsection (b), unless such sanctions would be mani-  
3       festly unjust.”.

4           (2) APPLICABILITY.—The amendment made by  
5       paragraph (1) shall apply to any patent for which a  
6       notice of allowance is issued on or after the date of  
7       enactment of this Act.

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

“261A. Disclosure of information relating to patent ownership.”.

12       (b) REGULATIONS.—The Director may promulgate  
13      such regulations as are necessary to establish a registra-  
14      tion fee in an amount sufficient to recover the estimated  
15      costs of administering section 261A of title 35, United  
16      States Code, as added by subsection (a), to facilitate the  
17      collection and maintenance of the information required by  
18      the amendments made by this section and section 3(b) of  
19      this Act, and to ensure the timely disclosure of such infor-  
20      mation to the public.

21      **SEC. 11. INTER PARTES REVIEW AND POST-GRANT PRO-**  
22   **CEEDINGS.**

23       (a) AMENDMENTS TO CHAPTER 31.—Chapter 31 of  
24      title 35, United States Code, is amended—

25           (1) in section 313—

1 (A) by striking “If an” and inserting “(a)

2 IN GENERAL.—If an”; and

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

4 “(b) SUPPORTING EVIDENCE.—A preliminary re-  
5 sponse filed under subsection (a) may be supported by af-  
6 fidavits or declarations of supporting evidence and opin-  
7 ions, or such other information as the Director may re-  
8 quire by regulation. The petitioner may seek leave to file  
9 a reply to respond to new issues raised in the preliminary  
10 response, within a time period set by the Director.”;

11 (2) in section 314—

12 (A) in subsection (a)—

13 (i) by striking “The Director” and in-  
14 sserting the following:

15 “(1) The Director”;

16 (ii) by inserting “and any reply” after  
17 “any response”; and

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

20 “(2) The Director may choose not to institute  
21 a proceeding under this section if the Director deter-  
22 mines that institution would not serve the interests  
23 of justice. In making this determination, the Direc-  
24 tor shall consider, among other appropriate factors,  
25 whether the grounds of unpatentability on prior art

1 or arguments set forth in the petition are the same  
2 or substantially the same as those considered and  
3 decided in a prior judicial proceeding, or in a prior  
4 proceeding before the Office involving the same  
5 claim or claims (including a decision by the Director  
6 not to institute a proceeding under this chapter),  
7 and whether there is another proceeding or matter  
8 involving the same patent pending before the Office.

9 “(3) An inter partes review shall not be insti-  
10 tuted on the basis that the evidentiary standard be-  
11 fore the Office differs from the evidentiary standard  
12 that was used in a proceeding before a court of the  
13 United States to adjudicate the claim or claims chal-  
14 lenged in the petition.”; and

15 (B) in subsection (b)—

16 (i) in paragraph (1), by striking “re-  
17 ceiving a preliminary response to the peti-  
18 tion” and inserting “receiving the last of a  
19 preliminary response to the petition or a  
20 reply”; and

21 (ii) in paragraph (2)—

22 (I) by striking “is filed, the” and  
23 inserting “is filed or reply is re-  
24 quested, the”; and

1 (II) by inserting “or reply may  
2 be requested” after “may be filed”;

3 (3) in section 315—

4 (A) by amending subsection (b) to read as  
5 follows:

6 “(b) PATENT OWNER’S ACTION.—An inter partes re-  
7 view may not be instituted with respect to a particular  
8 claim of a patent if the petition requesting the proceeding  
9 is filed more than 1 year after the date on which the peti-  
10 tioner, real party in interest, or privy of the petitioner is  
11 served with a complaint alleging infringement of that pat-  
12 ent claim. The time limitation set forth in the preceding  
13 sentence shall not apply to a request for joinder under  
14 subsection (c).”;

15 (B) in subsection (c), by adding at the end  
16 the following: “A petitioner may petition to add  
17 additional patent claims in an instituted inter  
18 partes review in which the petitioner is a party,  
19 if such petition is made within 1 year after the  
20 date on which that petitioner, or the real party  
21 in interest or privy of that petitioner, is served  
22 with an amended complaint or other paper in a  
23 pending litigation for the first time alleging in-  
24 fringement by one or more of them of those  
25 patent claims to be added.”; and

1 (C) in subsection (e), by adding at the end  
2 the following:

3 “(3) REPRESENTATION BY EITHER PARTY.—A  
4 party in an inter partes review of a claim in a patent  
5 under this chapter, or the real party in interest or  
6 privy of such party, shall be bound in a subsequent  
7 proceeding before the Office or civil action in a court  
8 of the United States by any representations regard-  
9 ing claim construction made by the party during the  
10 inter partes review with respect to the prosecution  
11 history of the patent that were finally adopted by  
12 the Office in deciding the inter partes review.”; and

13 (4) in section 316—

14 (A) in subsection (a)—

15 (i) in paragraph (5), by redesignating  
16 subparagraphs (A) and (B) as clauses (i)  
17 and (ii), respectively, and by adjusting the  
18 margins accordingly;

19 (ii) by redesignating paragraphs (1)  
20 through (13) as subparagraphs (A)  
21 through (M), respectively, and adjusting  
22 the margins accordingly;

23 (iii) by striking “The Director shall  
24 prescribe regulations—” and inserting the  
25 following:

1           “(1) IN GENERAL.—The Director shall pre-  
2       scribe regulations—”;

3                       (iv) by amending subparagraph (J),  
4                       as redesignated, to read as follows:

5                       “(J) providing either party with the right  
6       to have testimony (including cross examination  
7       of adverse witnesses) heard live by the panel de-  
8       ciding the review where the panel finds that  
9       such testimony would facilitate resolution of the  
10      case because genuine issues of material fact,  
11      conflicting expert opinions, or issues of witness  
12      credibility exist, followed by an oral hearing be-  
13      fore that panel as part of the proceeding;”;

14                      (v) in subparagraph (L), as redesign-  
15                      ated, by striking “and”;

16                      (vi) in subparagraph (M), as redesign-  
17                      ated, by striking the period at the end  
18                      and inserting the following: “, including  
19                      not less than 1 meaningful opportunity to  
20                      respond to any substitute claim offered as  
21                      an amendment to the patent under sub-  
22                      section (d);”;

23                      (vii) by adding at the end the fol-  
24                      lowing:

1           “(N) providing that for all purposes under  
2 this chapter—

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

12           “(ii) if a court of the United States  
13 has previously construed the claim or a  
14 claim term, or made a determination as to  
15 the patent’s validity, in a proceeding or an  
16 action in which the patent owner was a  
17 party, the Office shall consider such claim  
18 construction or determination; and

19           “(O) requiring that all decisions of the  
20 Patent Trial and Appeal Board in its pro-  
21 ceedings be available to the public in an easily  
22 accessible, searchable form.

23           “(2) REQUIREMENTS.—The regulations pre-  
24 scribed under paragraph (1)(I) shall provide that—



1           “(A) an amendment to propose 1 or more  
2 substitute claims shall be made in the patent  
3 holder’s first paper following institution (other  
4 than a request for rehearing) and not later than  
5 30 days after the institution of the proceeding,  
6 unless otherwise agreed to by the parties;

7           “(B) any substitute claim must narrow the  
8 scope of the cancelled claim and may not intro-  
9 duce new subject matter;

10           “(C) any amendment shall respond to a  
11 ground of unpatentability involved in the trial;

12           “(D) the petitioner shall have a meaningful  
13 opportunity to file a written response as to  
14 whether the substitute claim meets the require-  
15 ments of subparagraphs (A) through (C) and  
16 whether the substitute claim is unpatentable;  
17 and

18           “(E) if a substitute claim meets the re-  
19 quirements of subparagraphs (A) through (C),  
20 the petitioner shall have the burden of proving  
21 a proposition of unpatentability of the sub-  
22 stitute claim by a preponderance of the evi-  
23 dence.”;

24           (B) in subsection (b), by inserting “the in-  
25 terests in clarity in scope and reliance on intel-

1           lectual property rights,” after “patent system,”;  
2           and

3                   (C) in subsection (e)—

4                           (i) by striking “In an inter partes”  
5                           and inserting “(1) IN GENERAL.—In an  
6                           inter partes”;

7                           (ii) by striking “the petitioner” and  
8                           inserting “the challenged patent shall be  
9                           presumed to be valid. The petitioner”; and

10                           (iii) by adding at the end the fol-  
11                           lowing:

12                           “(2) RULE OF CONSTRUCTION.—Nothing in  
13                           this subsection shall be construed to impact the op-  
14                           eration of section 282(a) in proceedings in a court  
15                           of the United States.”.

16           (b) AMENDMENTS TO CHAPTER 32.—Chapter 32 of  
17 title 35, United States Code, is amended—

18                   (1) in section 323—

19                           (A) by striking “If a post-grant” and in-  
20                           serting “(a) IN GENERAL.—If a post-grant”;  
21                           and

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

23                           “(b) SUPPORTING EVIDENCE.—A preliminary re-  
24                           sponse filed under subsection (a) may be supported by af-  
25                           fidavits or declarations of supporting evidence and opin-

1 ions, or such other information as the Director may re-  
2 quire by regulation. The petitioner may seek leave to file  
3 a reply to respond to new issues raised in the preliminary  
4 response, within a time period set by the Director.”;

5 (2) in section 324—

6 (A) in subsection (a)—

7 (i) by striking “The Director” and in-  
8 serting the following:

9 “(1) The Director”; and

10 (ii) by adding at the end the fol-  
11 lowing:

12 “(2) The Director may choose not to institute  
13 a proceeding under this section if the Director deter-  
14 mines that institution would not serve the interests  
15 of justice. In making this determination, the Direc-  
16 tor shall consider, among other appropriate factors,  
17 the grounds of unpatentability on prior art or argu-  
18 ments set forth in the petition are the same or sub-  
19 stantially the same as those considered and decided  
20 in a prior judicial proceeding, or in a prior pro-  
21 ceeding before the Office involving the same claim or  
22 claims (including a decision by the Director not to  
23 institute a proceeding under this chapter), and  
24 whether there is another proceeding or matter in-

1       volving the same patent pending before the Office.”;  
2       and

3               (B) in subsection (c)—

4                       (i) in paragraph (1), by striking “re-  
5                       ceiving a preliminary response to the peti-  
6                       tion” and inserting “receiving the last of a  
7                       preliminary response to the petition or a  
8                       reply”; and

9                       (ii) in paragraph (2)—

10                               (I) by striking “is filed, the” and  
11                               inserting “is filed or reply is re-  
12                               quested, the”; and

13                               (II) by inserting “or reply may  
14                               be requested” after “may be filed”;

15               (3) in section 325(e), by adding at the end the  
16       following:

17               “(3) REPRESENTATIONS BY EITHER PARTY.—A  
18       party in a post grant review of a claim in a patent  
19       under this chapter, or the real party in interest or  
20       privy of such party, shall be bound in a subsequent  
21       proceeding before the Office or civil action in a court  
22       of the United States by any representations regard-  
23       ing claim construction made by the party during the  
24       post grant review with respect to the prosecution

1 history of the patent that were finally adopted by  
2 the Office in deciding the post grant review.”; and

3 (4) in section 326—

4 (A) in subsection (a)—

5 (i) by redesignating paragraphs (1)  
6 through (12) as subparagraphs (A)  
7 through (L), respectively, and adjusting  
8 the margins accordingly;

9 (ii) by striking “The Director shall  
10 prescribe regulations—” and inserting the  
11 following:

12 “(1) IN GENERAL.—The Director shall pre-  
13 scribe regulations—”;

14 (iii) by amending subparagraph (J),  
15 as redesignated, to read as follows:

16 “(J) providing either party with the right  
17 to have testimony (including cross examination  
18 of adverse witnesses) heard live by the panel de-  
19 ciding the review where the panel finds that  
20 such testimony would facilitate resolution of the  
21 case because genuine issues of material fact,  
22 conflicting expert opinions, or issues of witness  
23 credibility exist, followed by an oral hearing be-  
24 fore that panel as part of the proceeding;”;

1 (iv) in subparagraph (K), as redesignig-  
2 nated, by striking “and”;

3 (v) in subparagraph (L), as redesignig-  
4 nated, by striking the period at the end  
5 and inserting the following: “, including  
6 not less than 1 meaningful opportunity to  
7 respond to any substitute claim offered as  
8 an amendment to the patent under sub-  
9 section (d);”; and

10 (vi) by adding at the end the fol-  
11 lowing:

12 “(M) providing that for all purposes under  
13 this chapter—

14 “(i) each claim of a patent shall be  
15 construed as such claim would be in a civil  
16 action to invalidate a patent under section  
17 282(b), including construing each claim of  
18 the patent in accordance with the ordinary  
19 and customary meaning of such claim as  
20 understood by one of ordinary skill in the  
21 art and the prosecution history pertaining  
22 to the patent; and

23 “(ii) if a court of the United States  
24 has previously construed the claim or a  
25 claim term, or made a determination as to

1           the patent’s validity, in a proceeding or an  
2           action in which the patent owner was a  
3           party, the Office shall consider such claim  
4           construction or determination; and

5           “(N) requiring that all decisions of the  
6           Patent Trial and Appeal Board in its pro-  
7           ceedings be available to the public in an easily  
8           accessible, searchable form.

9           “(2) REQUIREMENTS.—The regulations pre-  
10          scribed under paragraph (1)(I) shall provide that—

11           “(A) an amendment to propose 1 or more  
12           substitute claims shall be made in the patent  
13           holder’s first paper following institution (other  
14           than a request for a rehearing) and not later  
15           than 30 days after the institution of the pro-  
16           ceeding, unless otherwise agreed to by the par-  
17           ties;

18           “(B) any substitute claim must narrow the  
19           scope of the cancelled claim and may not intro-  
20           duce new subject matter;

21           “(C) any amendment shall respond to a  
22           ground of unpatentability involved in the trial;

23           “(D) the petitioner shall have a meaningful  
24           opportunity to file a written response as to  
25           whether the substitute claim meets the require-

1           ments of subparagraphs (A) through (C) and  
2           whether the substitute claim is unpatentable;  
3           and

4           “(E) if a substitute claim meets the re-  
5           quirements of subparagraphs (A) through (C),  
6           the petitioner shall have the burden of proving  
7           a proposition of unpatentability of the sub-  
8           stitute claim by a preponderance of the evi-  
9           dence.”;

10           (B) in subsection (b), by inserting “the in-  
11           terests in clarity in scope and reliance on intel-  
12           lectual property rights,” after “patent system,”;  
13           and

14           (C) in subsection (e)—

15           (i) by striking “In a post-grant” and  
16           inserting “(1) IN GENERAL.—In a post-  
17           grant”;

18           (ii) by striking “the petitioner” and  
19           inserting “the challenged patent shall be  
20           presumed to be valid. The petitioner”; and

21           (iii) by adding at the end the fol-  
22           lowing:

23           “(2) RULE OF CONSTRUCTION.—Nothing in  
24           this subsection shall be construed to impact the op-



1       eration of section 282(a) in proceedings in a court  
2       of the United States.”.

3       (c) DIRECTOR REQUIREMENTS.—

4           (1) THREE-MEMBER PANELS.—Not later than 1  
5       year after the date of enactment of this Act, the Di-  
6       rector shall prescribe regulations governing the com-  
7       position of panels convened to adjudicate a post-  
8       grant review or inter partes review under section 6  
9       of title 35, United States Code, to ensure that the  
10      panel adjudicating such proceeding consists of not  
11      more than 1 individual, if any, who participated in  
12      the decision to institute such proceeding. Such regu-  
13      lations may prescribe that the decision to institute  
14      a proceeding shall be made by designees of the Di-  
15      rector other than members of the Patent Trial and  
16      Appeal Board.

17      (2) REPRESENTATIONS TO THE OFFICE.—

18           (A) REGULATIONS.—Not later than 1 year  
19      after the date of enactment of this Act, the Di-  
20      rector shall issue regulations to make clear that  
21      an attorney or unrepresented party presenting a  
22      statement, petition, or other submission to the  
23      Office does so under an obligation substantially  
24      similar to the obligations contained in rule 11  
25      of the Federal Rules of Civil Procedure.

1                   (B) INTERACTION WITH EXISTING  
2 RULES.—Regulations promulgated under this  
3 paragraph shall not be construed to undermine  
4 or otherwise limit existing regulations governing  
5 professional conduct before the Office, including  
6 regulations recognizing the duty of candor and  
7 good faith, the duty to disclose in a proceeding  
8 under section 311 or 321 of title 35, United  
9 States Code, information that is inconsistent  
10 with a position advanced by the party during  
11 such proceeding, and the duty to disclose infor-  
12 mation material to patentability.

13 (d) EFFECTIVE DATE.—

14                   (1) IN GENERAL.—Except as provided in para-  
15 graph (2), the Director shall, not later than the date  
16 that is 1 year after the date of enactment of this  
17 Act, issue regulations implementing the amendments  
18 made by this section to chapters 31 and 32 of title  
19 35, United States Code.

20                   (2) EXCEPTION.—The Director shall, not later  
21 than the date that is 6 months after the date of en-  
22 actment of this Act, issue regulations implementing  
23 the amendments made by this section to paragraph  
24 (10) of sections 316(a) and 326(a) of title 35,  
25 United States Code, the amendment adding para-

1 graph (14) to section 316(a) of title 35, United  
2 States Code, and the amendment adding paragraph  
3 (13) to section 326(a) title 35, United States Code.

4 (3) REGULATIONS.—The regulations issued  
5 under this section shall take effect on the date on  
6 which they are issued and shall apply to all pro-  
7 ceedings under chapters 31 and 32 of title 35,  
8 United States Code, for which a petition for review  
9 under section 311 or 321 of title 35, United States  
10 Code, is filed on or after such date of issuance.

11 **SEC. 12. PROTECTION OF INTELLECTUAL PROPERTY LI-**  
12 **CENSES IN BANKRUPTCY.**

13 (a) IN GENERAL.—Section 1522 of title 11, United  
14 States Code, is amended by adding at the end the fol-  
15 lowing:

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

22 (b) TRADEMARKS.—

23 (1) AMENDMENT.—Section 101(35A) of title  
24 11, United States Code, is amended—

25 (A) in subparagraph (E), by striking “or”;

1 (B) in subparagraph (F), by adding “or”  
2 at the end; and

3 (C) by adding after subparagraph (F) the  
4 following new subparagraph:

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

10 (2) CONFORMING AMENDMENT.—Section  
11 365(n)(2) of title 11, United States Code, is amend-  
12 ed—

13 (A) in subparagraph (B)—

14 (i) by striking “royalty payments”  
15 and inserting “royalty or other payments”;  
16 and

17 (ii) by striking “and” after the semi-  
18 colon;

19 (B) in subparagraph (C), by striking the  
20 period at the end of clause (ii) and inserting “;  
21 and”; and

22 (C) by adding at the end the following new  
23 subparagraph:

24 “(D) in the case of a trademark, service  
25 mark, or trade name, the licensee shall not be

1 relieved of any of its obligations to maintain the  
2 quality of the products and services offered  
3 under or in connection with the licensed trade-  
4 mark, service mark or trade name, and the  
5 trustee shall retain the right to oversee and en-  
6 force quality control for said products and/or  
7 services.”.

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

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

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

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

21 (2) SMALL BUSINESS PATENT OMBUDSMAN.—  
22 The existing small business patent outreach pro-  
23 grams of the Office, in consultation with the relevant  
24 offices at the Small Business Administration and the  
25 Minority Business Development Agency, shall pro-

1       vide education and awareness regarding resources  
2       available for those persons responding to allegations  
3       of patent infringement.

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

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

13               (A) information disclosed under section  
14               261A of title 35, United States Code, as added  
15               by section 10, and section 281B(b) of title 35,  
16               United States Code, as added by section 3; and

17               (B) any other information the Director de-  
18               termines to be relevant.

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

1 **SEC. 14. STUDIES ON PATENT TRANSACTIONS, QUALITY,**  
2 **AND EXAMINATION.**

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

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

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

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

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

1 (D) to examine the requirements placed on  
2 other markets.

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

10 (b) STUDY ON PATENT SMALL CLAIMS PROCE-  
11 DURES.—

12 (1) STUDY REQUIRED.—

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

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



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

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

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

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

19 (c) STUDY ON BUSINESS METHOD PATENT QUAL-  
20 ITY.—

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

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

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

17 **SEC. 15. TECHNICAL CORRECTIONS TO THE LEAHY-SMITH**  
18 **AMERICA INVENTS ACT AND OTHER IM-**  
19 **PROVEMENTS.**

20           (a) ESTOPPEL.—Section 325(e)(2) of title 35, United  
21 States Code, is amended by striking “or reasonably could  
22 have raised”.

23           (b) PTO PATENT REVIEWS.—

24           (1) CLARIFICATION.—

1           (A) SCOPE OF PRIOR ART.—Section  
2           18(a)(1)(C)(i) of the Leahy-Smith America In-  
3           vents Act (35 U.S.C. 321 note) is amended by  
4           striking “section 102(a)” and inserting “sub-  
5           section (a) or (e) of section 102”.

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

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

16          (c) TECHNICAL CORRECTIONS.—

17               (1) NOVELTY.—

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

23               (B) EFFECTIVE DATE.—The amendment  
24               made by subparagraph (A) shall be effective as  
25               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) REQUIREMENT TO EXECUTE.—Section  
5 115(a) of title 35, United States Code, is  
6 amended in the second sentence by striking  
7 “shall execute” and inserting “may be required  
8 by the Director to execute”.

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).

14 (3) ASSIGNEE FILERS.—

15 (A) BENEFIT OF EARLIER FILING DATE;  
16 RIGHT OF PRIORITY.—Section 119(e)(1) of title  
17 35, United States Code, is amended, in the first  
18 sentence, by striking “by an inventor or inven-  
19 tors named” and inserting “that names the in-  
20 ventor or a joint inventor”.

21 (B) BENEFIT OF EARLIER FILING DATE IN  
22 THE UNITED STATES.—Section 120 of title 35,  
23 United States Code, is amended, in the first  
24 sentence, by striking “names an inventor or

1 joint inventor” and inserting “names the inven-  
2 tor or a joint inventor”.

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

9 (4) DERIVED PATENTS.—

10 (A) AMENDMENT.—Section 291(b) of title  
11 35, United States Code, is amended by striking  
12 “or joint inventor” and inserting “or a joint in-  
13 ventor”.

14 (B) EFFECTIVE DATE.—The amendment  
15 made by subparagraph (A) shall be effective as  
16 if included in the amendment made by section  
17 3(h)(1) of the Leahy-Smith America Invents  
18 Act (Public Law 112–29).

19 (5) SPECIFICATION.—Notwithstanding section  
20 4(e) of the Leahy-Smith America Invents Act (Pub-  
21 lic Law 112–29; 125 Stat. 297), the amendments  
22 made by subsections (c) and (d) of section 4 of such  
23 Act shall apply to any proceeding or matter that is  
24 pending on, or filed on or after, the date of the en-  
25 actment of this Act.

1           (6) 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  
6 “18 months”.

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

12           (7) PATENT OWNER RESPONSE.—

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

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

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

1           (8) GLOBAL WORKSHARING.—Section 122 of  
2 title 35, United States Code, is amended—

3           (A) in subsection (a), by striking “sub-  
4 section (b)” and inserting “subsections (b) and  
5 (f)”; and

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

7           “(f) FOREIGN OR INTERNATIONAL FILING.—The Di-  
8 rector may provide information concerning an application  
9 for a patent to a foreign country or international intergov-  
10 ernmental organization if a corresponding application is  
11 filed in such foreign country or with such international  
12 intergovernmental organization. If the corresponding ap-  
13 plication is an international application, such information  
14 may also be provided to an International Searching Au-  
15 thority, an International Preliminary Examining Author-  
16 ity, and the International Bureau (as defined in section  
17 351).”.

18           (9) APPOINTMENTS CLARIFICATION.—Section  
19 3(b)(3) of title 35, United State Code, is amended—

20           (A) by redesignating subparagraphs (A)  
21 and (B) as subparagraphs (B) and (C), respec-  
22 tively;

23           (B) by inserting before subparagraph (B),  
24 as redesignated, the following:

1           “(A) nominate, for appointment by the  
2           Secretary of Commerce, such officers as the Di-  
3           rector considers necessary to carry out the  
4           functions of the Office and who may exercise  
5           any authority delegated by the Director or a  
6           Commissioner;” and

7           (C) in subparagraph (B), as redesignated,  
8           by striking “officers, employees (including at-  
9           torneys),” and inserting “employees (including  
10          attorneys)”.

11          (10) PUBLIC ADVISORY COMMITTEES.—Section  
12          5(h) of title 35, United States Code, is amended by  
13          inserting before the period at the end the following:  
14          “, except that members of each Advisory Committee  
15          shall be considered to be serving on an advisory  
16          committee within the meaning of the Federal Advi-  
17          sory Committee Act for purposes of section  
18          208(b)(3) of title 18”.

19          (11) MICROENTITY FEE.—Section 123(d)(1) of  
20          title 35, United States Code, is amended by insert-  
21          ing after “(20 U.S.C. 1001(a))” the following: “or  
22          a comparable institution of higher education outside  
23          the United States”.

24          (12) ELECTRONIC FILING TIMEZONE ALIGN-  
25          MENT.—



1 (A) AMENDMENT.—Section 21 of title 35,  
2 United States Code, is amended by—

3 (i) redesignating subsection (b) as  
4 subsection (c), and

5 (ii) inserting after subsection (a) the  
6 following:

7 “(b) The Director may by rule prescribe that any  
8 paper or fee required to be filed in the United States Pat-  
9 ent and Trademark Office will be considered filed in the  
10 Office on the date on which it is submitted using the elec-  
11 tronic filing system prescribed by the Director or would  
12 have been submitted but for filing system interruptions  
13 or emergencies designated by the Director.”.

14 (B) EFFECTIVE DATE.—The amendments  
15 made by this paragraph shall take effect on the  
16 date that is 1 year after the date of enactment  
17 of this Act and shall apply to papers or fees  
18 that are filed on or after that date.

19 (d) MANAGEMENT OF THE UNITED STATES PATENT  
20 AND TRADEMARK OFFICE.—

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

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

4 (B) by inserting before the period “or in  
5 the event of a vacancy in the office of the Di-  
6 rector.”.

7 (2) EFFECTIVE DATE.—The amendments made  
8 by paragraph (1) shall take effect on the date of en-  
9 actment of this Act and shall apply with respect to  
10 appointments and vacancies occurring before, on, or  
11 after the date of enactment of this Act.

12 (e) EXTENSION OF FEE SETTING AUTHORITY.—Sec-  
13 tion 10(i)(2) of the Leahy-Smith America Invents Act  
14 (Public Law 112–29; 125 Stat. 319) is amended by strik-  
15 ing “7-year” and inserting “14-year”.

16 (f) PATENTS FOR HUMANITY PROGRAM.—

17 (1) SHORT TITLE.—This subsection may be  
18 cited as the “Patents for Humanity Program Im-  
19 provement Act”.

20 (2) TRANSFERABILITY OF ACCELERATION CER-  
21 TIFICATES.—A holder of an acceleration certificate  
22 issued pursuant to the Patents for Humanity Pro-  
23 gram (established in the notice entitled “Humanitarian Awards Pilot Program”, published at 77 Fed.  
24 Reg. 6544 (February 8, 2012)), or any successor  
25

1       thereto, of the United States Patent and Trademark  
2       Office, may transfer (including by sale) the entitle-  
3       ment to such acceleration certificate to another per-  
4       son.

5           (3) REQUIREMENT.—An acceleration certificate  
6       transferred under paragraph (1) shall be subject to  
7       any other applicable limitations under the notice en-  
8       titled “Humanitarian Awards Pilot Program”, pub-  
9       lished at 77 Fed. Reg. 6544 (February 8, 2012), or  
10      any successor thereto.

11 **SEC. 16. EFFECTIVE DATE.**

12      Except as otherwise provided in this Act, this Act and  
13      the amendments made by this Act shall take effect on the  
14      date of enactment of this Act, and shall apply to any pat-  
15      ent issued, or any action filed, on or after that date.

16 **SEC. 17. SEVERABILITY.**

17      If any provision of this Act, or an amendment made  
18      by this Act, or the application of such provision or amend-  
19      ment to any person or circumstance, is held to be invalid,  
20      the remainder of this Act, or an amendment made by this  
21      Act, or the application of such provision to other persons  
22      or circumstances, shall not be affected.