

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

S. 515

To amend title 35, United States Code, to provide for patent reform.

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 “Patent Reform Act of 2010”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. First inventor to file.
- Sec. 3. Inventor’s oath or declaration.
- Sec. 4. Damages.
- Sec. 5. Post-grant review proceedings.
- Sec. 6. Patent Trial and Appeal Board.

- Sec. 7. Preissuance submissions by third parties.
- Sec. 8. Venue.
- Sec. 9. Fee setting authority.
- Sec. 10. Supplemental examination.
- Sec. 11. Residency of Federal Circuit judges.
- Sec. 12. Micro entity defined.
- Sec. 13. Funding agreements.
- Sec. 14. Travel expenses test program.
- Sec. 15. Best mode requirement.
- Sec. 16. District court pilot program.
- Sec. 17. Technical amendments.
- Sec. 18. Effective date; rule of construction.

1 **SEC. 2. FIRST INVENTOR TO FILE.**

2 (a) DEFINITIONS.—Section 100 of title 35, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 “(f) The term ‘inventor’ means the individual or, if
6 a joint invention, the individuals collectively who invented
7 or discovered the subject matter of the invention.

8 “(g) The terms ‘joint inventor’ and ‘coinventor’ mean
9 any 1 of the individuals who invented or discovered the
10 subject matter of a joint invention.

11 “(h) The term ‘joint research agreement’ means a
12 written contract, grant, or cooperative agreement entered
13 into by 2 or more persons or entities for the performance
14 of experimental, developmental, or research work in the
15 field of the claimed invention.

16 “(i)(1) The term ‘effective filing date’ of a claimed
17 invention in a patent or application for patent means—

18 “(A) if subparagraph (B) does not apply, the
19 actual filing date of the patent or the application for
20 the patent containing a claim to the invention; or

1 “(B) the filing date of the earliest application
2 for which the patent or application is entitled, as to
3 such invention, to a right of priority under section
4 119, 365(a), or 365(b) or to the benefit of an earlier
5 filing date under section 120, 121, or 365(c).

6 “(2) The effective filing date for a claimed invention
7 in an application for reissue or reissued patent shall be
8 determined by deeming the claim to the invention to have
9 been contained in the patent for which reissue was sought.

10 “(j) The term ‘claimed invention’ means the subject
11 matter defined by a claim in a patent or an application
12 for a patent.”.

13 (b) CONDITIONS FOR PATENTABILITY.—

14 (1) IN GENERAL.—Section 102 of title 35,
15 United States Code, is amended to read as follows:

16 **“§ 102. Conditions for patentability; novelty**

17 “(a) NOVELTY; PRIOR ART.—A person shall be enti-
18 tled to a patent unless—

19 “(1) the claimed invention was patented, de-
20 scribed in a printed publication, or in public use, on
21 sale, or otherwise available to the public before the
22 effective filing date of the claimed invention; or

23 “(2) the claimed invention was described in a
24 patent issued under section 151, or in an application
25 for patent published or deemed published under sec-

1 tion 122(b), in which the patent or application, as
2 the case may be, names another inventor and was
3 effectively filed before the effective filing date of the
4 claimed invention.

5 “(b) EXCEPTIONS.—

6 “(1) DISCLOSURES MADE 1 YEAR OR LESS BE-
7 FORE THE EFFECTIVE FILING DATE OF THE
8 CLAIMED INVENTION.—A disclosure made 1 year or
9 less before the effective filing date of a claimed in-
10 vention shall not be prior art to the claimed inven-
11 tion under subsection (a)(1) if—

12 “(A) the disclosure was made by the inven-
13 tor or joint inventor or by another who obtained
14 the subject matter disclosed directly or indi-
15 rectly from the inventor or a joint inventor; or

16 “(B) the subject matter disclosed had, be-
17 fore such disclosure, been publicly disclosed by
18 the inventor or a joint inventor or another who
19 obtained the subject matter disclosed directly or
20 indirectly from the inventor or a joint inventor.

21 “(2) DISCLOSURES APPEARING IN APPLICA-
22 TIONS AND PATENTS.—A disclosure shall not be
23 prior art to a claimed invention under subsection
24 (a)(2) if—

1 “(A) the subject matter disclosed was ob-
2 tained directly or indirectly from the inventor or
3 a joint inventor;

4 “(B) the subject matter disclosed had, be-
5 fore such subject matter was effectively filed
6 under subsection (a)(2), been publicly disclosed
7 by the inventor or a joint inventor or another
8 who obtained the subject matter disclosed di-
9 rectly or indirectly from the inventor or a joint
10 inventor; or

11 “(C) the subject matter disclosed and the
12 claimed invention, not later than the effective
13 filing date of the claimed invention, were owned
14 by the same person or subject to an obligation
15 of assignment to the same person.

16 “(c) COMMON OWNERSHIP UNDER JOINT RESEARCH
17 AGREEMENTS.—Subject matter disclosed and a claimed
18 invention shall be deemed to have been owned by the same
19 person or subject to an obligation of assignment to the
20 same person in applying the provisions of subsection
21 (b)(2)(C) if—

22 “(1) the subject matter disclosed was developed
23 and the claimed invention was made by, or on behalf
24 of, 1 or more parties to a joint research agreement

1 that was in effect on or before the effective filing
2 date of the claimed invention;

3 “(2) the claimed invention was made as a result
4 of activities undertaken within the scope of the joint
5 research agreement; and

6 “(3) the application for patent for the claimed
7 invention discloses or is amended to disclose the
8 names of the parties to the joint research agree-
9 ment.

10 “(d) PATENTS AND PUBLISHED APPLICATIONS EF-
11 FECTIVE AS PRIOR ART.—For purposes of determining
12 whether a patent or application for patent is prior art to
13 a claimed invention under subsection (a)(2), such patent
14 or application shall be considered to have been effectively
15 filed, with respect to any subject matter described in the
16 patent or application—

17 “(1) if paragraph (2) does not apply, as of the
18 actual filing date of the patent or the application for
19 patent; or

20 “(2) if the patent or application for patent is
21 entitled to claim a right of priority under section
22 119, 365(a), or 365(b), or to claim the benefit of an
23 earlier filing date under section 120, 121, or 365(c),
24 based upon 1 or more prior filed applications for

1 patent, as of the filing date of the earliest such ap-
2 plication that describes the subject matter.”.

3 (2) CONFORMING AMENDMENT.—The item re-
4 lating to section 102 in the table of sections for
5 chapter 10 of title 35, United States Code, is
6 amended to read as follows:

“102. Conditions for patentability; novelty.”.

7 (c) CONDITIONS FOR PATENTABILITY; NONOBVIOUS
8 SUBJECT MATTER.—Section 103 of title 35, United
9 States Code, is amended to read as follows:

10 **“§ 103. Conditions for patentability; nonobvious sub-**
11 **ject matter**

12 “A patent for a claimed invention may not be ob-
13 tained, notwithstanding that the claimed invention is not
14 identically disclosed as set forth in section 102, if the dif-
15 ferences between the claimed invention and the prior art
16 are such that the claimed invention as a whole would have
17 been obvious before the effective filing date of the claimed
18 invention to a person having ordinary skill in the art to
19 which the claimed invention pertains. Patentability shall
20 not be negated by the manner in which the invention was
21 made.”.

22 (d) REPEAL OF REQUIREMENTS FOR INVENTIONS
23 MADE ABROAD.—Section 104 of title 35, United States
24 Code, and the item relating to that section in the table

1 of sections for chapter 10 of title 35, United States Code,
2 are repealed.

3 (e) REPEAL OF STATUTORY INVENTION REGISTRA-
4 TION.—

5 (1) IN GENERAL.—Section 157 of title 35,
6 United States Code, and the item relating to that
7 section in the table of sections for chapter 14 of title
8 35, United States Code, are repealed.

9 (2) REMOVAL OF CROSS REFERENCES.—Section
10 111(b)(8) of title 35, United States Code, is amend-
11 ed by striking “sections 115, 131, 135, and 157”
12 and inserting “sections 131 and 135”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection shall take effect 1 year after the
15 date of the enactment of this Act, and shall apply
16 to any request for a statutory invention registration
17 filed on or after that date.

18 (f) EARLIER FILING DATE FOR INVENTOR AND
19 JOINT INVENTOR.—Section 120 of title 35, United States
20 Code, is amended by striking “which is filed by an inven-
21 tor or inventors named” and inserting “which names an
22 inventor or joint inventor”.

23 (g) CONFORMING AMENDMENTS.—

1 (1) RIGHT OF PRIORITY.—Section 172 of title
2 35, United States Code, is amended by striking
3 “and the time specified in section 102(d)”.

4 (2) LIMITATION ON REMEDIES.—Section
5 287(c)(4) of title 35, United States Code, is amend-
6 ed by striking “the earliest effective filing date of
7 which is prior to” and inserting “which has an effec-
8 tive filing date before”.

9 (3) INTERNATIONAL APPLICATION DESIG-
10 NATING THE UNITED STATES: EFFECT.—Section
11 363 of title 35, United States Code, is amended by
12 striking “except as otherwise provided in section
13 102(e) of this title”.

14 (4) PUBLICATION OF INTERNATIONAL APPLICA-
15 TION: EFFECT.—Section 374 of title 35, United
16 States Code, is amended by striking “sections 102(e)
17 and 154(d)” and inserting “section 154(d)”.

18 (5) PATENT ISSUED ON INTERNATIONAL APPLI-
19 CATION: EFFECT.—The second sentence of section
20 375(a) of title 35, United States Code, is amended
21 by striking “Subject to section 102(e) of this title,
22 such” and inserting “Such”.

23 (6) LIMIT ON RIGHT OF PRIORITY.—Section
24 119(a) of title 35, United States Code, is amended
25 by striking “; but no patent shall be granted” and

1 all that follows through “one year prior to such fil-
2 ing”.

3 (7) INVENTIONS MADE WITH FEDERAL ASSIST-
4 ANCE.—Section 202(c) of title 35, United States
5 Code, is amended—

6 (A) in paragraph (2)—

7 (i) by striking “publication, on sale,
8 or public use,” and all that follows through
9 “obtained in the United States” and in-
10 sserting “the 1-year period referred to in
11 section 102(b) would end before the end of
12 that 2-year period”; and

13 (ii) by striking “the statutory” and
14 inserting “that 1-year”; and

15 (B) in paragraph (3), by striking “any
16 statutory bar date that may occur under this
17 title due to publication, on sale, or public use”
18 and inserting “the expiration of the 1-year pe-
19 riod referred to in section 102(b)”.

20 (h) DERIVED PATENTS.—Section 291 of title 35,
21 United States Code, is amended to read as follows:

22 **“§ 291. Derived patents**

23 “(a) IN GENERAL.—The owner of a patent may have
24 relief by civil action against the owner of another patent
25 that claims the same invention and has an earlier effective

1 filing date if the invention claimed in such other patent
2 was derived from the inventor of the invention claimed in
3 the patent owned by the person seeking relief under this
4 section

5 “(b) FILING LIMITATION.—An action under this sec-
6 tion may only be filed within 1 year after the first publica-
7 tion of a claim to an invention that is the same or substan-
8 tially the same as the earlier applicant’s claimed inven-
9 tion.”.

10 (i) DERIVATION PROCEEDINGS.—Section 135 of title
11 35, United States Code, is amended to read as follows:

12 “§ 135. Derivation proceedings

13 “(a) INSTITUTION OF PROCEEDING.—An applicant
14 for patent may file a petition to institute a derivation pro-
15 ceeding. The petition shall set forth with particularity the
16 basis for finding that an earlier applicant derived the
17 claimed invention from the petitioner and, without author-
18 ization, filed an application claiming such invention. Any
19 such petition may only be filed within 1 year after the
20 first publication of a claim to an invention that is the same
21 or substantially the same as the earlier applicant’s claimed
22 invention, shall be made under oath, and shall be sup-
23 ported by substantial evidence. Whenever the Director de-
24 termines that a petition filed under this subsection dem-
25 onstrates that the standards for instituting a derivation

1 proceeding are met, the Director may institute a deriva-
2 tion proceeding. The determination by the Director wheth-
3 er to institute a derivation proceeding shall be final and
4 nonappealable.

5 “(b) DETERMINATION BY PATENT TRIAL AND AP-
6 PEAL BOARD.—In a derivation proceeding instituted
7 under subsection (a), the Patent Trial and Appeal Board
8 shall determine whether the earlier applicant derived the
9 claimed invention from the petitioner and, without author-
10 ization, filed an application claiming such invention. The
11 Director shall prescribe regulations setting forth stand-
12 ards for the conduct of derivation proceedings.

13 “(c) DEFERRAL OF DECISION.—The Patent Trial
14 and Appeal Board may defer action on a petition for a
15 derivation proceeding until 3 months after the date on
16 which the Director issues to the earlier applicant a patent
17 that includes the claimed invention that is the subject of
18 the petition. The Patent Trial and Appeal Board also may
19 defer action on a petition for a derivation proceeding, or
20 stay the proceeding after it has been instituted, until the
21 termination of a proceeding under chapter 30, 31, or 32
22 involving the patent of the earlier applicant.

23 “(d) EFFECT OF FINAL DECISION.—The final deci-
24 sion of the Patent Trial and Appeal Board, if adverse to
25 claims in an application for patent, shall constitute the

1 final refusal by the Office on those claims. The final deci-
2 sion of the Patent Trial and Appeal Board, if adverse to
3 claims in a patent, shall, if no appeal or other review of
4 the decision has been or can be taken or had, constitute
5 cancellation of those claims, and notice of such cancella-
6 tion shall be endorsed on copies of the patent distributed
7 after such cancellation

8 “(e) SETTLEMENT.—Parties to a proceeding insti-
9 tuted under subsection (a) may terminate the proceeding
10 by filing a written statement reflecting the agreement of
11 the parties as to the correct inventors of the claimed inven-
12 tion in dispute. Unless the Patent Trial and Appeal Board
13 finds the agreement to be inconsistent with the evidence
14 of record, if any, it shall take action consistent with the
15 agreement. Any written settlement or understanding of
16 the parties shall be filed with the Director. At the request
17 of a party to the proceeding, the agreement or under-
18 standing shall be treated as business confidential informa-
19 tion, shall be kept separate from the file of the involved
20 patents or applications, and shall be made available only
21 to Government agencies on written request, or to any per-
22 son on a showing of good cause.

23 “(f) ARBITRATION.—Parties to a proceeding insti-
24 tuted under subsection (a) may, within such time as may
25 be specified by the Director by regulation, determine such

1 contest or any aspect thereof by arbitration. Such arbitra-
2 tion shall be governed by the provisions of title 9, to the
3 extent such title is not inconsistent with this section. The
4 parties shall give notice of any arbitration award to the
5 Director, and such award shall, as between the parties to
6 the arbitration, be dispositive of the issues to which it re-
7 lates. The arbitration award shall be unenforceable until
8 such notice is given. Nothing in this subsection shall pre-
9 clude the Director from determining the patentability of
10 the claimed inventions involved in the proceeding.”.

11 (j) ELIMINATION OF REFERENCES TO INTER-
12 FERENCES.—(1) Sections 41, 134, 145, 146, 154, 305,
13 and 314 of title 35, United States Code, are each amended
14 by striking “Board of Patent Appeals and Interferences”
15 each place it appears and inserting “Patent Trial and Ap-
16 peal Board”.

17 (2)(A) Sections 146 and 154 of title 35, United
18 States Code, are each amended—

19 (i) by striking “an interference” each place
20 it appears and inserting “a derivation pro-
21 ceeding”; and

22 (ii) by striking “interference” each addi-
23 tional place it appears and inserting “derivation
24 proceeding”.

1 (B) The subparagraph heading for section
2 154(b)(1)(C) of title 35, United States Code, as
3 amended by this paragraph, is further amended
4 by—

5 (i) striking “OR” and inserting “OF”; and

6 (ii) striking “SECURITY ORDER” and insert-
7 ing “SECURITY ORDERS”.

8 (3) The section heading for section 134 of title 35,
9 United States Code, is amended to read as follows:

10 **“§ 134. Appeal to the Patent Trial and Appeal Board”.**

11 (4) The section heading for section 146 of title 35,
12 United States Code, is amended to read as follows:

13 **“§ 146. Civil action in case of derivation proceeding”.**

14 (5) Section 154(b)(1)(C) of title 35, United States
15 Code, is amended by striking “INTERFERENCES” and in-
16 serting “DERIVATION PROCEEDINGS”.

17 (6) The item relating to section 6 in the table of sec-
18 tions for chapter 1 of title 35, United States Code, is
19 amended to read as follows:

“6. Patent Trial and Appeal Board.”.

20 (7) The items relating to sections 134 and 135 in
21 the table of sections for chapter 12 of title 35, United
22 States Code, are amended to read as follows:

“134. Appeal to the Patent Trial and Appeal Board.

“135. Derivation proceedings.”.

1 (8) The item relating to section 146 in the table of
2 sections for chapter 13 of title 35, United States Code,
3 is amended to read as follows:

“146. Civil action in case of derivation proceeding.”.

4 (k) FALSE MARKING.—

5 (1) IN GENERAL.—Subsection (b) of section
6 292 of title 35, United States Code, is amended to
7 read as follows:

8 “(b) A person who has suffered a competitive injury
9 as a result of a violation of this section may file a civil
10 action in a district court of the United States for recovery
11 of damages adequate to compensate for the injury.”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by this subsection shall apply to all cases, without
14 exception, pending on or after the date of the enact-
15 ment of this Act.

16 (l) STATUTE OF LIMITATIONS.—

17 (1) IN GENERAL.—Section 32 of title 35,
18 United States Code, is amended by inserting be-
19 tween the third and fourth sentences the following:

20 “‘The time period for instituting a proceeding under
21 this section shall not run where fraud, concealment,
22 or inequitable conduct is involved until information
23 regarding the fraud, concealment, or inequitable con-
24 duct is made known to an officer or employee of the

1 Office as prescribed in the regulations established
2 under section 2(b)(2)(D).”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by this subsection shall apply in all cases in which
5 the time period for instituting a proceeding under
6 section 32 of title 35, United State Code, had not
7 lapsed prior to the date of the enactment of this Act.

8 (m) EFFECTIVE DATE.—

9 (1) IN GENERAL.—Except as otherwise pro-
10 vided by this section, the amendments made by this
11 section shall take effect on the date that is 1 year
12 after the date of the enactment of this Act, and shall
13 apply to any application for patent, and to any pat-
14 ent issuing thereon, that contains or contained at
15 any time—

16 (A) a claim to a claimed invention that has
17 an effective filing date as defined in section
18 100(i) of title 35, United States Code, that is
19 1 year or more after the date of the enactment
20 of this Act; or

21 (B) a specific reference under section 120,
22 121, or 365(c) of title 35, United States Code,
23 to any patent or application that contains or
24 contained at any time such a claim.

1 (2) INTERFERENCE.—For any application for
2 patent, or any patent issuing thereon, to which the
3 amendments made by this section apply which con-
4 tains the same claimed invention as defined in sec-
5 tion 100(j) of title 35, United States Code, as in an
6 application for patent, or any patent issuing thereon,
7 to which the amendments made by this section do
8 not apply, an interference may be declared within 2
9 years after the date of the enactment of this Act and
10 conducted as provided in section 135 or 291 of title
11 35, United States Code, in effect on the day prior
12 to the date of the enactment of this Act to deter-
13 mine questions of priority of the inventions, and the
14 Director may issue a patent for the claimed inven-
15 tion to the applicant who is adjudged the prior in-
16 ventor.

17 **SEC. 3. INVENTOR’S OATH OR DECLARATION.**

18 (a) INVENTOR’S OATH OR DECLARATION.—

19 (1) IN GENERAL.—Section 115 of title 35,
20 United States Code, is amended to read as follows:

21 **“§ 115. Inventor’s oath or declaration**

22 “(a) NAMING THE INVENTOR; INVENTOR’S OATH OR
23 DECLARATION.—An application for patent that is filed
24 under section 111(a) or commences the national stage
25 under section 371 shall include, or be amended to include,

1 the name of the inventor for any invention claimed in the
2 application. Except as otherwise provided in this section,
3 each individual who is the inventor or a joint inventor of
4 a claimed invention in an application for patent shall exe-
5 cute an oath or declaration in connection with the applica-
6 tion.

7 “(b) REQUIRED STATEMENTS.—An oath or declara-
8 tion under subsection (a) shall contain statements that—

9 “(1) the application was made or was author-
10 ized to be made by the affiant or declarant; and

11 “(2) such individual believes himself or herself
12 to be the original inventor or an original joint inven-
13 tor of a claimed invention in the application.

14 “(c) ADDITIONAL REQUIREMENTS.—The Director
15 may specify additional information relating to the inventor
16 and the invention that is required to be included in an
17 oath or declaration under subsection (a).

18 “(d) SUBSTITUTE STATEMENT.—

19 “(1) IN GENERAL.—In lieu of executing an oath
20 or declaration under subsection (a), the applicant for
21 patent may provide a substitute statement under the
22 circumstances described in paragraph (2) and such
23 additional circumstances that the Director may
24 specify by regulation.

1 “(2) PERMITTED CIRCUMSTANCES.—A sub-
2 stitute statement under paragraph (1) is permitted
3 with respect to any individual who—

4 “(A) is unable to file the oath or declara-
5 tion under subsection (a) because the indi-
6 vidual—

7 “(i) is deceased;

8 “(ii) is under legal incapacity; or

9 “(iii) cannot be found or reached after
10 diligent effort; or

11 “(B) is under an obligation to assign the
12 invention but has refused to make the oath or
13 declaration required under subsection (a).

14 “(3) CONTENTS.—A substitute statement under
15 this subsection shall—

16 “(A) identify the individual with respect to
17 whom the statement applies;

18 “(B) set forth the circumstances rep-
19 resenting the permitted basis for the filing of
20 the substitute statement in lieu of the oath or
21 declaration under subsection (a); and

22 “(C) contain any additional information,
23 including any showing, required by the Direc-
24 tor.

1 “(e) MAKING REQUIRED STATEMENTS IN ASSIGN-
2 MENT OF RECORD.—An individual who is under an obliga-
3 tion of assignment of an application for patent may in-
4 clude the required statements under subsections (b) and
5 (c) in the assignment executed by the individual, in lieu
6 of filing such statements separately.

7 “(f) TIME FOR FILING.—A notice of allowance under
8 section 151 may be provided to an applicant for patent
9 only if the applicant for patent has filed each required
10 oath or declaration under subsection (a) or has filed a sub-
11 stitute statement under subsection (d) or recorded an as-
12 signment meeting the requirements of subsection (e).

13 “(g) EARLIER-FILED APPLICATION CONTAINING RE-
14 QUIRED STATEMENTS OR SUBSTITUTE STATEMENT.—

15 “(1) EXCEPTION.—The requirements under
16 this section shall not apply to an individual with re-
17 spect to an application for patent in which the indi-
18 vidual is named as the inventor or a joint inventor
19 and who claims the benefit under section 120, 121,
20 or 365(c) of the filing of an earlier-filed application,
21 if—

22 “(A) an oath or declaration meeting the
23 requirements of subsection (a) was executed by
24 the individual and was filed in connection with
25 the earlier-filed application;

1 “(B) a substitute statement meeting the
2 requirements of subsection (d) was filed in the
3 earlier filed application with respect to the indi-
4 vidual; or

5 “(C) an assignment meeting the require-
6 ments of subsection (e) was executed with re-
7 spect to the earlier-filed application by the indi-
8 vidual and was recorded in connection with the
9 earlier-filed application.

10 “(2) COPIES OF OATHS, DECLARATIONS, STATE-
11 MENTS, OR ASSIGNMENTS.—Notwithstanding para-
12 graph (1), the Director may require that a copy of
13 the executed oath or declaration, the substitute
14 statement, or the assignment filed in the earlier-filed
15 application be included in the later-filed application.

16 “(h) SUPPLEMENTAL AND CORRECTED STATE-
17 MENTS; FILING ADDITIONAL STATEMENTS.—

18 “(1) IN GENERAL.—Any person making a state-
19 ment required under this section may withdraw, re-
20 place, or otherwise correct the statement at any
21 time. If a change is made in the naming of the in-
22 ventor requiring the filing of 1 or more additional
23 statements under this section, the Director shall es-
24 tablish regulations under which such additional
25 statements may be filed.

1 “(2) SUPPLEMENTAL STATEMENTS NOT RE-
2 QUIRED.—If an individual has executed an oath or
3 declaration meeting the requirements of subsection
4 (a) or an assignment meeting the requirements of
5 subsection (e) with respect to an application for pat-
6 ent, the Director may not thereafter require that in-
7 dividual to make any additional oath, declaration, or
8 other statement equivalent to those required by this
9 section in connection with the application for patent
10 or any patent issuing thereon.

11 “(3) SAVINGS CLAUSE.—No patent shall be in-
12 valid or unenforceable based upon the failure to
13 comply with a requirement under this section if the
14 failure is remedied as provided under paragraph (1).

15 “(i) ACKNOWLEDGMENT OF PENALTIES.—Any dec-
16 laration or statement filed pursuant to this section shall
17 contain an acknowledgment that any willful false state-
18 ment made in such declaration or statement is punishable
19 under section 1001 of title 18 by fine or imprisonment
20 of not more than 5 years, or both.”.

21 “(2) RELATIONSHIP TO DIVISIONAL APPLICA-
22 TIONS.—Section 121 of title 35, United States Code,
23 is amended by striking “If a divisional application”
24 and all that follows through “inventor.”.

1 (3) REQUIREMENTS FOR NONPROVISIONAL AP-
2 PLICATIONS.—Section 111(a) of title 35, United
3 States Code, is amended—

4 (A) in paragraph (2)(C), by striking “by
5 the applicant” and inserting “or declaration”;

6 (B) in the heading for paragraph (3), by
7 inserting “OR DECLARATION” after “AND
8 OATH”; and

9 (C) by inserting “or declaration” after
10 “and oath” each place it appears.

11 (4) CONFORMING AMENDMENT.—The item re-
12 lating to section 115 in the table of sections for
13 chapter 11 of title 35, United States Code, is
14 amended to read as follows:

“115. Inventor’s oath or declaration.”.

15 (b) FILING BY OTHER THAN INVENTOR.—

16 (1) IN GENERAL.—Section 118 of title 35,
17 United States Code, is amended to read as follows:

18 **“§ 118. Filing by other than inventor**

19 “A person to whom the inventor has assigned or is
20 under an obligation to assign the invention may make an
21 application for patent. A person who otherwise shows suf-
22 ficient proprietary interest in the matter may make an ap-
23 plication for patent on behalf of and as agent for the in-
24 ventor on proof of the pertinent facts and a showing that
25 such action is appropriate to preserve the rights of the

1 parties. If the Director grants a patent on an application
2 filed under this section by a person other than the inven-
3 tor, the patent shall be granted to the real party in inter-
4 est and upon such notice to the inventor as the Director
5 considers to be sufficient.”.

6 (2) CONFORMING AMENDMENT.—Section 251
7 of title 35, United States Code, is amended in the
8 third undesignated paragraph by inserting “or the
9 application for the original patent was filed by the
10 assignee of the entire interest” after “claims of the
11 original patent”.

12 (c) SPECIFICATION.—Section 112 of title 35, United
13 States Code, is amended—

14 (1) in the first paragraph—

15 (A) by striking “The specification” and in-
16 serting “(a) IN GENERAL.—The specification”;
17 and

18 (B) by striking “of carrying out his inven-
19 tion” and inserting “or joint inventor of car-
20 rying out the invention”;

21 (2) in the second paragraph—

22 (A) by striking “The specification” and in-
23 serting “(b) CONCLUSION.—The specification”;
24 and

1 (B) by striking “applicant regards as his
2 invention” and inserting “inventor or a joint in-
3 ventor regards as the invention”;

4 (3) in the third paragraph, by striking “A
5 claim” and inserting “(c) FORM.—A claim”;

6 (4) in the fourth paragraph, by striking “Sub-
7 ject to the following paragraph,” and inserting “(d)
8 REFERENCE IN DEPENDENT FORMS.—Subject to
9 subsection (e),”;

10 (5) in the fifth paragraph, by striking “A
11 claim” and inserting “(e) REFERENCE IN MULTIPLE
12 DEPENDENT FORM.—A claim”; and

13 (6) in the last paragraph, by striking “An ele-
14 ment” and inserting “(f) ELEMENT IN CLAIM FOR
15 A COMBINATION.—An element”.

16 (d) CONFORMING AMENDMENTS.—

17 (1) Sections 111(b)(1)(A), 119(e)(1), and 120
18 are each amended by striking “the first paragraph
19 of section 112 of this title” and inserting “section
20 112(a)”.

21 (2) Section 111(b)(2) is amended by striking
22 “the second through fifth paragraphs of section
23 112,” and inserting “subsections (b) through (e) of
24 section 112,”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect 1 year after the date of the
3 enactment of this Act and shall apply to patent applica-
4 tions that are filed on or after that effective date.

5 **SEC. 4. DAMAGES.**

6 (a) DAMAGES.—Section 284 of title 35, United
7 States Code, is amended—

8 (1) by striking “Upon finding” and inserting
9 the following: “(a) IN GENERAL.—Upon finding”;

10 (2) by striking “fixed by the court” and all that
11 follows through “When the damages” and inserting
12 the following: “fixed by the court. When the dam-
13 ages”;

14 (3) by striking “shall assess them.” and all that
15 follows through “The court may receive” and insert-
16 ing the following: “shall assess them. The court may
17 receive”; and

18 (4) by adding at the end the following:

19 “(b) PROCEDURE FOR DETERMINING DAMAGES.—

20 “(1) IN GENERAL.—The court shall identify the
21 methodologies and factors that are relevant to the
22 determination of damages, and the court or jury,
23 shall consider only those methodologies and factors
24 relevant to making such determination.

1 “(2) DISCLOSURE OF CLAIMS.—By no later
2 than the entry of the final pretrial order, unless oth-
3 erwise ordered by the court, the parties shall state,
4 in writing and with particularity, the methodologies
5 and factors the parties propose for instruction to the
6 jury in determining damages under this section,
7 specifying the relevant underlying legal and factual
8 bases for their assertions.

9 “(3) SUFFICIENCY OF EVIDENCE.—Prior to the
10 introduction of any evidence concerning the deter-
11 mination of damages, upon motion of either party or
12 sua sponte, the court shall consider whether one or
13 more of a party’s damages contentions lacks a le-
14 gally sufficient evidentiary basis. After providing a
15 nonmovant the opportunity to be heard, and after
16 any further proffer of evidence, briefing, or argu-
17 ment that the court may deem appropriate, the
18 court shall identify on the record those methodolo-
19 gies and factors as to which there is a legally suffi-
20 cient evidentiary basis, and the court or jury shall
21 consider only those methodologies and factors in
22 making the determination of damages under this
23 section. The court shall only permit the introduction
24 of evidence relating to the determination of damages
25 that is relevant to the methodologies and factors

1 that the court determines may be considered in mak-
2 ing the damages determination.

3 “(c) SEQUENCING.—Any party may request that a
4 patent-infringement trial be sequenced so that the trier
5 of fact decides questions of the patent’s infringement and
6 validity before the issues of damages and willful infringe-
7 ment are tried to the court or the jury. The court shall
8 grant such a request absent good cause to reject the re-
9 quest, such as the absence of issues of significant damages
10 or infringement and validity. The sequencing of a trial
11 pursuant to this subsection shall not affect other matters,
12 such as the timing of discovery. This subsection does not
13 authorize a party to request that the issues of damages
14 and willful infringement be tried to a jury different than
15 the one that will decide questions of the patent’s infringe-
16 ment and validity.

17 “(d) WILLFUL INFRINGEMENT.—

18 “(1) IN GENERAL.—The court may increase
19 damages up to 3 times the amount found or as-
20 sessed if the court or the jury, as the case may be,
21 determines that the infringement of the patent was
22 willful. Increased damages under this subsection
23 shall not apply to provisional rights under section
24 154(d). Infringement is not willful unless the claim-
25 ant proves by clear and convincing evidence that the

1 accused infringer’s conduct with respect to the pat-
2 ent was objectively reckless. An accused infringer’s
3 conduct was objectively reckless if the infringer was
4 acting despite an objectively high likelihood that his
5 actions constituted infringement of a valid patent,
6 and this objectively-defined risk was either known or
7 so obvious that it should have been known to the ac-
8 cused infringer.

9 “(2) PLEADING STANDARDS.—A claimant as-
10 sserting that a patent was infringed willfully shall
11 comply with the pleading requirements set forth
12 under Federal Rule of Civil Procedure 9(b).

13 “(3) KNOWLEDGE ALONE INSUFFICIENT.—In-
14 fringement of a patent may not be found to be will-
15 ful solely on the basis that the infringer had knowl-
16 edge of the infringed patent.

17 “(4) PRE-SUIT NOTIFICATION.—A claimant
18 seeking to establish willful infringement may not
19 rely on evidence of pre-suit notification of infringe-
20 ment unless that notification identifies with particu-
21 larity the asserted patent, identifies the product or
22 process accused, and explains with particularity, to
23 the extent possible following a reasonable investiga-
24 tion or inquiry, how the product or process infringes
25 one or more claims of the patent.

1 “(5) CLOSE CASE.—The court shall not in-
2 crease damages under this subsection if the court
3 determines that there is a close case as to infringe-
4 ment, validity, or enforceability. On the motion of ei-
5 ther party, the court shall determine whether a close
6 case as to infringement, validity, or enforceability ex-
7 ists, and the court shall explain its decision. Once
8 the court determines that such a close case exists,
9 the issue of willful infringement shall not thereafter
10 be tried to the jury.

11 “(6) ACCRUED DAMAGES.—If a court or jury
12 finds that the infringement of patent was willful, the
13 court may increase only those damages that accrued
14 after the infringement became willful.”.

15 (b) REPORT TO CONGRESSIONAL COMMITTEES.—

16 (1) IN GENERAL.—Not later than 2 years after
17 the date of the enactment of this Act, the Director
18 shall report to the Committee on the Judiciary of
19 the Senate and the Committee on the Judiciary of
20 the House of Representatives, the findings and rec-
21 ommendations of the Director on the operation of
22 prior user rights in selected countries in the indus-
23 trialized world. The report shall include the fol-
24 lowing:

1 (A) A comparison between patent laws of
2 the United States and the laws of other indus-
3 trialized countries, including the European
4 Union, Japan, Canada, and Australia.

5 (B) An analysis of the effect of prior user
6 rights on innovation rates in the selected coun-
7 tries.

8 (C) An analysis of the correlation, if any,
9 between prior user rights and start-up enter-
10 prises and the ability to attract venture capital
11 to start new companies.

12 (D) An analysis of the effect of prior user
13 rights, if any, on small businesses, universities,
14 and individual inventors.

15 (E) An analysis of legal and constitutional
16 issues, if any, that arise from placing trade se-
17 cret law in patent law.

18 (2) CONSULTATION WITH OTHER AGENCIES.—

19 In preparing the report required under paragraph
20 (1), the Director shall consult with the United
21 States Trade Representative, the Secretary of State,
22 and the Attorney General.

23 (c) DEFENSE TO INFRINGEMENT BASED ON EAR-
24 LIER INVENTOR.—Section 273(b)(6) of title 35, United
25 States Code, is amended to read as follows:

1 “(6) PERSONAL DEFENSE.—The defense under
2 this section may be asserted only by the person who
3 performed or caused the performance of the acts
4 necessary to establish the defense as well as any
5 other entity that controls, is controlled by, or is
6 under common control with such person and, except
7 for any transfer to the patent owner, the right to as-
8 sert the defense shall not be licensed or assigned or
9 transferred to another person except as an ancillary
10 and subordinate part of a good faith assignment or
11 transfer for other reasons of the entire enterprise or
12 line of business to which the defense relates. Not-
13 withstanding the preceding sentence, any person
14 may, on its own behalf, assert a defense based on
15 the exhaustion of rights provided under paragraph
16 (3), including any necessary elements thereof.”.

17 (d) VIRTUAL MARKING.—Section 287(a) of title 35,
18 United States Code, is amended by inserting “, or by fix-
19 ing thereon the word ‘patent’ or the abbreviation ‘pat.’ to-
20 gether with an address of a posting on the Internet, acces-
21 sible to the public without charge for accessing the ad-
22 dress, that associates the patented article with the number
23 of the patent” before “, or when”.

1 (e) ADVICE OF COUNSEL.—Chapter 29 of title 35,
2 United States Code, is amended by adding at the end the
3 following:

4 **“§ 298. Advice of Counsel**

5 “The failure of an infringer to obtain the advice of
6 counsel with respect to any allegedly infringed patent or
7 the failure of the infringer to present such advice to the
8 court or jury may not be used to prove that the accused
9 infringer willfully infringed the patent or that the in-
10 fringer intended to induce infringement of the patent.”.

11 (f) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to any civil action commenced on
13 or after the date of the enactment of this Act.

14 **SEC. 5. POST-GRANT REVIEW PROCEEDINGS.**

15 (a) INTER PARTES REVIEW.—Chapter 31 of title 35,
16 United States Code, is amended to read as follows:

17 **“CHAPTER 31—INTER PARTES REVIEW**

“Sec.

“311. Inter partes review.

“312. Petitions.

“313. Preliminary response to petition.

“314. Institution of inter partes review.

“315. Relation to other proceedings or actions.

“316. Conduct of inter partes review.

“317. Settlement.

“318. Decision of the board.

“319. Appeal.

18 **“§ 311. Inter partes review**

19 “(a) IN GENERAL.—Subject to the provisions of this
20 chapter, a person who is not the patent owner may file

1 with the Office a petition to institute an inter partes re-
2 view for a patent. The Director shall establish, by regula-
3 tion, fees to be paid by the person requesting the review,
4 in such amounts as the Director determines to be reason-
5 able, considering the aggregate costs of the review.

6 “(b) SCOPE.—A petitioner in an inter partes review
7 may request to cancel as unpatentable 1 or more claims
8 of a patent only on a ground that could be raised under
9 section 102 or 103 and only on the basis of prior art con-
10 sisting of patents or printed publications.

11 “(c) FILING DEADLINE.—A petition for inter partes
12 review shall be filed after the later of either—

13 “(1) 9 months after the grant of a patent or
14 issuance of a reissue of a patent; or

15 “(2) if a post-grant review is instituted under
16 chapter 32, the date of the termination of such post-
17 grant review.

18 “§ 312. Petitions

19 “(a) REQUIREMENTS OF PETITION.—A petition filed
20 under section 311 may be considered only if—

21 “(1) the petition is accompanied by payment of
22 the fee established by the Director under section
23 311;

24 “(2) the petition identifies all real parties in in-
25 terest;

1 “(3) the petition identifies, in writing and with
2 particularity, each claim challenged, the grounds on
3 which the challenge to each claim is based, and the
4 evidence that supports the grounds for each chal-
5 lenged claim, including—

6 “(A) copies of patents and printed publica-
7 tions that the petitioner relies upon in support
8 of the petition; and

9 “(B) affidavits or declarations of sup-
10 porting evidence and opinions, if the petitioner
11 relies on expert opinions;

12 “(4) the petition provides such other informa-
13 tion as the Director may require by regulation; and

14 “(5) the petitioner provides copies of any of the
15 documents required under paragraphs (2), (3), and
16 (4) to the patent owner or, if applicable, the des-
17 ignated representative of the patent owner.

18 “(b) PUBLIC AVAILABILITY.—As soon as practicable
19 after the receipt of a petition under section 311, the Direc-
20 tor shall make the petition available to the public.

21 **“§ 313. Preliminary response to petition**

22 “(a) PRELIMINARY RESPONSE.—If an inter partes
23 review petition is filed under section 311, the patent owner
24 shall have the right to file a preliminary response within
25 a time period set by the Director.

1 “(b) CONTENT OF RESPONSE.—A preliminary re-
2 sponse to a petition for inter partes review shall set forth
3 reasons why no inter partes review should be instituted
4 based upon the failure of the petition to meet any require-
5 ment of this chapter.

6 **“§ 314. Institution of inter partes review**

7 “(a) THRESHOLD.—The Director may not authorize
8 an inter partes review to commence unless the Director
9 determines that the information presented in the petition
10 filed under section 311 and any response file under section
11 313 shows that there is a reasonable likelihood that the
12 petitioner would prevail with respect to at least 1 of the
13 claims challenged in the petition.

14 “(b) TIMING.—The Director shall determine whether
15 to institute an inter partes review under this chapter with-
16 in 3 months after receiving a preliminary response under
17 section 313 or, if none is filed, within three months after
18 the expiration of the time for filing such a response.

19 “(c) NOTICE.—The Director shall notify the peti-
20 tioner and patent owner, in writing, of the Director’s de-
21 termination under subsection (a), and shall make such no-
22 tice available to the public as soon as is practicable. Such
23 notice shall list the date on which the review shall com-
24 mence.

1 “(d) NO APPEAL.—The determination by the Direc-
2 tor whether to institute an inter partes review under this
3 section shall be final and nonappealable.

4 **“§ 315. Relation to other proceedings or actions**

5 “(a) PENDING CIVIL ACTIONS.—

6 “(1) INFRINGER’S ACTION.—An inter partes re-
7 view may not be instituted or maintained if the peti-
8 tioner or real party in interest has filed a civil action
9 challenging the validity of a claim of the patent.

10 “(2) PATENT OWNER’S ACTION.—An inter
11 partes review may not be instituted if the petition
12 requesting the proceeding is filed more than 3
13 months after the date on which the petitioner, real
14 party in interest, or his privy is required to respond
15 to a civil action alleging infringement of the patent.

16 “(b) ESTOPPEL.—

17 “(1) PROCEEDINGS BEFORE THE OFFICE.—The
18 petitioner in an inter partes review under this chap-
19 ter, or his real party in interest or privy, may not
20 request or maintain a proceeding before the Office
21 with respect to a claim on any ground that the peti-
22 tioner raised or reasonably could have raised during
23 an inter partes review of the claim that resulted in
24 a final written decision under section 318(a).

1 “(2) CIVIL ACTIONS AND OTHER PRO-
2 CEEDINGS.—The petitioner in an inter partes review
3 under this chapter, or his real party in interest or
4 privy, may not assert either in a civil action arising
5 in whole or in part under section 1338 of title 28
6 or in a proceeding before the International Trade
7 Commission that a claim in a patent is invalid on
8 any ground that the petitioner raised or reasonably
9 could have raised during an inter partes review of
10 the claim that resulted in a final written decision
11 under section 318(a).

12 “(c) JOINDER.—If the Director institutes an inter
13 partes review, the Director, in his discretion, may join as
14 a party to that inter partes review any person who prop-
15 erly files a petition under section 311 that the Director,
16 after receiving a preliminary response under section 313
17 or the expiration of the time for filing such a response,
18 determines warrants the institution of an inter partes re-
19 view under section 314.

20 “(d) MULTIPLE PROCEEDINGS.—Notwithstanding
21 sections 135(a), 251, and 252, and chapter 30, during the
22 pendency of an inter partes review, if another proceeding
23 or matter involving the patent is before the Office, the
24 Director may determine the manner in which the inter
25 partes review or other proceeding or matter may proceed,

1 including providing for stay, transfer, consolidation, or
2 termination of any such matter or proceeding.

3 **“§ 316. Conduct of inter partes review**

4 “(a) REGULATIONS.—The Director shall prescribe
5 regulations—

6 “(1) providing that the file of any proceeding
7 under this chapter shall be made available to the
8 public, except that any petition or document filed
9 with the intent that it be sealed shall be accom-
10 panied by a motion to seal, and such petition or doc-
11 ument shall be treated as sealed pending the out-
12 come of the ruling on the motion;

13 “(2) setting forth the standards for the showing
14 of sufficient grounds to institute a review under sec-
15 tion 314(a);

16 “(3) establishing procedures for the submission
17 of supplemental information after the petition is
18 filed;

19 “(4) in accordance with section 2(b)(2), estab-
20 lishing and governing inter partes review under this
21 chapter and the relationship of such review to other
22 proceedings under this title;

23 “(5) setting a time period for requesting joinder
24 under section 315(c);

1 “(6) setting forth standards and procedures for
2 discovery of relevant evidence, including that such
3 discovery shall be limited to—

4 “(A) the deposition of witnesses submitting
5 affidavits or declarations; and

6 “(B) what is otherwise necessary in the in-
7 terest of justice;

8 “(7) prescribing sanctions for abuse of dis-
9 covery, abuse of process, or any other improper use
10 of the proceeding, such as to harass or to cause un-
11 necessary delay or an unnecessary increase in the
12 cost of the proceeding;

13 “(8) providing for protective orders governing
14 the exchange and submission of confidential infor-
15 mation;

16 “(9) allowing the patent owner to file a re-
17 sponse to the petition after an inter partes review
18 has been instituted, and requiring that the patent
19 owner file with such response, through affidavits or
20 declarations, any additional factual evidence and ex-
21 pert opinions on which the patent owner relies in
22 support of the response;

23 “(10) setting forth standards and procedures
24 for allowing the patent owner to move to amend the
25 patent under subsection (d) to cancel a challenged

1 claim or propose a reasonable number of substitute
2 claims, and ensuring that any information submitted
3 by the patent owner in support of any amendment
4 entered under subsection (d) is made available to the
5 public as part of the prosecution history of the pat-
6 ent;

7 “(11) providing either party with the right to
8 an oral hearing as part of the proceeding; and

9 “(12) requiring that the final determination in
10 an inter partes review be issued not later than 1
11 year after the date on which the Director notices the
12 institution of a review under this chapter, except
13 that the Director may, for good cause shown, extend
14 the 1-year period by not more than 6 months, and
15 may adjust the time periods in this paragraph in the
16 case of joinder under section 315(c).

17 “(b) CONSIDERATIONS.—In prescribing regulations
18 under this section, the Director shall consider the effect
19 of any such regulation on the economy, the integrity of
20 the patent system, the efficient administration of the Of-
21 fice, and the ability of the Office to timely complete pro-
22 ceedings instituted under this chapter.

23 “(c) PATENT TRIAL AND APPEAL BOARD.—The Pat-
24 ent Trial and Appeal Board shall, in accordance with sec-

1 tion 6, conduct each proceeding authorized by the Direc-
2 tor.

3 “(d) AMENDMENT OF THE PATENT.—

4 “(1) IN GENERAL.—During an inter partes re-
5 view instituted under this chapter, the patent owner
6 may file 1 motion to amend the patent in 1 or more
7 of the following ways:

8 “(A) Cancel any challenged patent claim.

9 “(B) For each challenged claim, propose a
10 reasonable number of substitute claims.

11 “(2) ADDITIONAL MOTIONS.—Additional mo-
12 tions to amend may be permitted upon the joint re-
13 quest of the petitioner and the patent owner to ma-
14 terially advance the settlement of a proceeding under
15 section 317, or as permitted by regulations pre-
16 scribed by the Director.

17 “(3) SCOPE OF CLAIMS.—An amendment under
18 this subsection may not enlarge the scope of the
19 claims of the patent or introduce new matter.

20 “(e) EVIDENTIARY STANDARDS.—In an inter partes
21 review instituted under this chapter, the petitioner shall
22 have the burden of proving a proposition of
23 unpatentability by a preponderance of the evidence.

1 **“§ 317. Settlement**

2 “(a) IN GENERAL.—An inter partes review instituted
3 under this chapter shall be terminated with respect to any
4 petitioner upon the joint request of the petitioner and the
5 patent owner, unless the Office has decided the merits of
6 the proceeding before the request for termination is filed.
7 If the inter partes review is terminated with respect to
8 a petitioner under this section, no estoppel under section
9 315(b) shall apply to that petitioner. If no petitioner re-
10 mains in the inter partes review, the Office may terminate
11 the review or proceed to a final written decision under sec-
12 tion 318(a).

13 “(b) AGREEMENTS IN WRITING.—Any agreement or
14 understanding between the patent owner and a petitioner,
15 including any collateral agreements referred to in such
16 agreement or understanding, made in connection with, or
17 in contemplation of, the termination of an inter partes re-
18 view under this section shall be in writing and a true copy
19 of such agreement or understanding shall be filed in the
20 Office before the termination of the inter partes review
21 as between the parties. If any party filing such agreement
22 or understanding so requests, the copy shall be kept sepa-
23 rate from the file of the inter partes review, and shall be
24 made available only to Federal Government agencies upon
25 written request, or to any other person on a showing of
26 good cause.

1 **“§ 318. Decision of the board**

2 “(a) FINAL WRITTEN DECISION.—If an inter partes
3 review is instituted and not dismissed under this chapter,
4 the Patent Trial and Appeal Board shall issue a final writ-
5 ten decision with respect to the patentability of any patent
6 claim challenged by the petitioner and any new claim
7 added under section 316(d).

8 “(b) CERTIFICATE.—If the Patent Trial and Appeal
9 Board issues a final written decision under subsection (a)
10 and the time for appeal has expired or any appeal has
11 terminated, the Director shall issue and publish a certifi-
12 cate canceling any claim of the patent finally determined
13 to be unpatentable, confirming any claim of the patent de-
14 termined to be patentable, and incorporating in the patent
15 by operation of the certificate any new or amended claim
16 determined to be patentable.

17 **“§ 319. Appeal**

18 “A party dissatisfied with the final written decision
19 of the Patent Trial and Appeal Board under section
20 318(a) may appeal the decision pursuant to sections 141
21 through 144. Any party to the inter partes review shall
22 have the right to be a party to the appeal.”.

23 (b) TECHNICAL AND CONFORMING AMENDMENT.—
24 The table of chapters for part III of title 35, United States

1 Code, is amended by striking the item relating to chapter
2 31 and inserting the following:

“31. Inter Partes Review.....311.”.

3 (c) REGULATIONS AND EFFECTIVE DATE.—

4 (1) REGULATIONS.—The Director shall, not
5 later than the date that is 1 year after the date of
6 the enactment of this Act, issue regulations to carry
7 out chapter 31 of title 35, United States Code, as
8 amended by subsection (a) of this section.

9 (2) APPLICABILITY.—

10 (A) IN GENERAL.—The amendments made
11 by subsection (a) shall take effect on the date
12 that is 1 year after the date of the enactment
13 of this Act and shall apply to all patents issued
14 before, on, or after the effective date of sub-
15 section (a).

16 (B) EXCEPTION.—The provisions of chap-
17 ter 31 of title 35, United States Code, as
18 amended by paragraph (3), shall continue to
19 apply to requests for inter partes reexamination
20 that are filed prior to the effective date of sub-
21 section (a) as if subsection (a) had not been en-
22 acted.

23 (C) GRADUATED IMPLEMENTATION.—The
24 Director may impose a limit on the number of
25 inter partes reviews that may be instituted dur-

1 ing each of the first 4 years following the effec-
2 tive date of subsection (a), provided that such
3 number shall in each year be equivalent to or
4 greater than the number of inter partes reex-
5 aminations that are ordered in the last full fis-
6 cal year prior to the effective date of subsection
7 (a).

8 (3) TRANSITION.—

9 (A) IN GENERAL.—Chapter 31 of title 35,
10 United States Code, is amended—

11 (i) in section 312—

12 (I) in subsection (a)—

13 (aa) in the first sentence, by
14 striking “a substantial new ques-
15 tion of patentability affecting any
16 claim of the patent concerned is
17 raised by the request,” and in-
18 serting “the information pre-
19 sented in the request shows that
20 there is a reasonable likelihood
21 that the requester would prevail
22 with respect to at least 1 of the
23 claims challenged in the re-
24 quest,”; and

1 (bb) in the second sentence,
2 by striking “The existence of a
3 substantial new question of pat-
4 entability” and inserting “A
5 showing that there is a reason-
6 able likelihood that the requester
7 would prevail with respect to at
8 least 1 of the claims challenged
9 in the request”; and

10 (II) in subsection (c), in the sec-
11 ond sentence, by striking “no substan-
12 tial new question of patentability has
13 been raised,” and inserting “the show-
14 ing required by subsection (a) has not
15 been made,”; and

16 (ii) in section 313, by striking “a sub-
17 stantial new question of patentability af-
18 fecting a claim of the patent is raised” and
19 inserting “it has been shown that there is
20 a reasonable likelihood that the requester
21 would prevail with respect to at least 1 of
22 the claims challenged in the request”.

23 (B) APPLICATION.—The amendments
24 made by this paragraph shall apply to requests
25 for inter partes reexamination that are filed on

1 or after the date of the enactment of this Act,
2 but prior to the effective date of subsection (a).

3 (d) POST-GRANT REVIEW.—Part III of title 35,
4 United States Code, is amended by adding at the end the
5 following:

6 **“CHAPTER 32—POST-GRANT REVIEW**

“Sec.

“321. Post-grant review.

“322. Petitions.

“323. Preliminary response to petition.

“324. Institution of post-grant review.

“325. Relation to other proceedings or actions.

“326. Conduct of post-grant review.

“327. Settlement.

“328. Decision of the board.

“329. Appeal.

7 **“§ 321. Post-grant review**

8 “(a) IN GENERAL.—Subject to the provisions of this
9 chapter, a person who is not the patent owner may file
10 with the Office a petition to institute a post-grant review
11 for a patent. The Director shall establish, by regulation,
12 fees to be paid by the person requesting the review, in
13 such amounts as the Director determines to be reasonable,
14 considering the aggregate costs of the post-grant review.

15 “(b) SCOPE.—A petitioner in a post-grant review may
16 request to cancel as unpatentable 1 or more claims of a
17 patent on any ground that could be raised under para-
18 graph (2) or (3) of section 282(b) (relating to invalidity
19 of the patent or any claim).

1 “(c) FILING DEADLINE.—A petition for a post-grant
2 review shall be filed not later than 9 months after the
3 grant of the patent or issuance of a reissue patent.

4 **“§ 322. Petitions**

5 “(a) REQUIREMENTS OF PETITION.—A petition filed
6 under section 321 may be considered only if—

7 “(1) the petition is accompanied by payment of
8 the fee established by the Director under section
9 321;

10 “(2) the petition identifies all real parties in in-
11 terest;

12 “(3) the petition identifies, in writing and with
13 particularity, each claim challenged, the grounds on
14 which the challenge to each claim is based, and the
15 evidence that supports the grounds for each chal-
16 lenged claim, including—

17 “(A) copies of patents and printed publica-
18 tions that the petitioner relies upon in support
19 of the petition; and

20 “(B) affidavits or declarations of sup-
21 porting evidence and opinions, if the petitioner
22 relies on other factual evidence or on expert
23 opinions;

24 “(4) the petition provides such other informa-
25 tion as the Director may require by regulation; and

1 “(5) the petitioner provides copies of any of the
2 documents required under paragraphs (2), (3), and
3 (4) to the patent owner or, if applicable, the des-
4 igned representative of the patent owner.

5 “(b) PUBLIC AVAILABILITY.—As soon as practicable
6 after the receipt of a petition under section 321, the Direc-
7 tor shall make the petition available to the public.

8 **“§ 323. Preliminary response to petition**

9 “(a) PRELIMINARY RESPONSE.—If a post-grant re-
10 view petition is filed under section 321, the patent owner
11 shall have the right to file a preliminary response within
12 2 months of the filing of the petition.

13 “(b) CONTENT OF RESPONSE.—A preliminary re-
14 sponse to a petition for post-grant review shall set forth
15 reasons why no post-grant review should be instituted
16 based upon the failure of the petition to meet any require-
17 ment of this chapter.

18 **“§ 324. Institution of post-grant review**

19 “(a) THRESHOLD.—The Director may not authorize
20 a post-grant review to commence unless the Director de-
21 termines that the information presented in the petition,
22 if such information is not rebutted, would demonstrate
23 that it is more likely than not that at least 1 of the claims
24 challenged in the petition is unpatentable.

1 “(b) **ADDITIONAL GROUNDS.**—The determination re-
2 quired under subsection (a) may also be satisfied by a
3 showing that the petition raises a novel or unsettled legal
4 question that is important to other patents or patent ap-
5 plications.

6 “(c) **TIMING.**—The Director shall determine whether
7 to institute a post-grant review under this chapter within
8 3 months after receiving a preliminary response under sec-
9 tion 323 or, if none is filed, the expiration of the time
10 for filing such a response.

11 “(d) **NOTICE.**—The Director shall notify the peti-
12 tioner and patent owner, in writing, of the Director’s de-
13 termination under subsection (a) or (b), and shall make
14 such notice available to the public as soon as is prac-
15 ticable. The Director shall make each notice of the institu-
16 tion of a post-grant review available to the public. Such
17 notice shall list the date on which the review shall com-
18 mence.

19 “(e) **NO APPEAL.**—The determination by the Direc-
20 tor whether to institute a post-grant review under this sec-
21 tion shall be final and nonappealable.

22 **“§ 325. Relation to other proceedings or actions**

23 “(a) **PRELIMINARY INJUNCTIONS.**—If a civil action
24 alleging infringement of a patent is filed within 3 months
25 of the grant of the patent, the court may not stay its con-

1 sideration of the patent owner’s motion for a preliminary
2 injunction against infringement of the patent on the basis
3 that a petition for post-grant review has been filed or that
4 such a proceeding has been instituted.

5 “(b) PENDING CIVIL ACTIONS.—

6 “(1) INFRINGER’S ACTION.—A post-grant re-
7 view may not be instituted or maintained if the peti-
8 tioner or real party in interest has filed a civil action
9 challenging the validity of a claim of the patent.

10 “(2) PATENT OWNER’S ACTION.—A post-grant
11 review may not be instituted if the petition request-
12 ing the proceeding is filed more than 3 months after
13 the date on which the petitioner, real party in inter-
14 est, or his privy is required to respond to a civil ac-
15 tion alleging infringement of the patent.

16 “(c) REISSUE PATENTS.—A post-grant review may
17 not be instituted if the petition requests cancellation of
18 a claim in a reissue patent that is identical to or narrower
19 than a claim in the original patent from which the reissue
20 patent was issued, and the time limitations in section
21 321(e) would bar filing a petition for a post-grant review
22 for such original patent.

23 “(d) ESTOPPEL.—

24 “(1) PROCEEDINGS BEFORE THE OFFICE.—The
25 petitioner in a post-grant review under this chapter,

1 or his real party in interest or privy, may not re-
2 quest or maintain a proceeding before the Office
3 with respect to a claim on any ground that the peti-
4 tioner raised or reasonably could have raised during
5 a post-grant review of the claim that resulted in a
6 final written decision under section 328(a).

7 “(2) CIVIL ACTIONS AND OTHER PRO-
8 CEEDINGS.—The petitioner in a post-grant review
9 under this chapter, or his real party in interest or
10 privy, may not assert either in a civil action arising
11 in whole or in part under section 1338 of title 28
12 or in a proceeding before the International Trade
13 Commission that a claim in a patent is invalid on
14 any ground that the petitioner raised during a post-
15 grant review of the claim that resulted in a final
16 written decision under section 328(a).

17 “(e) JOINDER.—If more than 1 petition for a post-
18 grant review is properly filed against the same patent and
19 the Director determines that more than 1 of these peti-
20 tions warrants the institution of a post-grant review under
21 section 324, the Director may consolidate such reviews
22 into a single post-grant review.

23 “(f) MULTIPLE PROCEEDINGS.—Notwithstanding
24 sections 135(a), 251, and 252, and chapter 30, during the
25 pendency of any post-grant review, if another proceeding

1 or matter involving the patent is before the Office, the
2 Director may determine the manner in which the post-
3 grant review or other proceeding or matter may proceed,
4 including providing for stay, transfer, consolidation, or
5 termination of any such matter or proceeding. In deter-
6 mining whether to institute or order a proceeding under
7 this chapter, chapter 30, or chapter 31, the Director may
8 take into account whether, and reject the petition or re-
9 quest because, the same or substantially the same prior
10 art or arguments previously were presented to the Office.

11 **“§ 326. Conduct of post-grant review**

12 “(a) REGULATIONS.—The Director shall prescribe
13 regulations—

14 “(1) providing that the file of any proceeding
15 under this chapter shall be made available to the
16 public, except that any petition or document filed
17 with the intent that it be sealed shall be accom-
18 panied by a motion to seal, and such petition or doc-
19 ument shall be treated as sealed pending the out-
20 come of the ruling on the motion;

21 “(2) setting forth the standards for the showing
22 of sufficient grounds to institute a review under sub-
23 sections (a) and (b) of section 324;

1 “(3) establishing procedures for the submission
2 of supplemental information after the petition is
3 filed;

4 “(4) in accordance with section 2(b)(2), estab-
5 lishing and governing a post-grant review under this
6 chapter and the relationship of such review to other
7 proceedings under this title;

8 “(5) setting forth standards and procedures for
9 discovery of relevant evidence, including that such
10 discovery shall be limited to evidence directly related
11 to factual assertions advanced by either party in the
12 proceeding;

13 “(6) prescribing sanctions for abuse of dis-
14 covery, abuse of process, or any other improper use
15 of the proceeding, such as to harass or to cause un-
16 necessary delay or an unnecessary increase in the
17 cost of the proceeding;

18 “(7) providing for protective orders governing
19 the exchange and submission of confidential infor-
20 mation;

21 “(8) allowing the patent owner to file a re-
22 sponse to the petition after a post-grant review has
23 been instituted, and requiring that the patent owner
24 file with such response, through affidavits or dec-
25 larations, any additional factual evidence and expert

1 opinions on which the patent owner relies in support
2 of the response;

3 “(9) setting forth standards and procedures for
4 allowing the patent owner to move to amend the pat-
5 ent under subsection (d) to cancel a challenged claim
6 or propose a reasonable number of substitute claims,
7 and ensuring that any information submitted by the
8 patent owner in support of any amendment entered
9 under subsection (d) is made available to the public
10 as part of the prosecution history of the patent;

11 “(10) providing either party with the right to
12 an oral hearing as part of the proceeding; and

13 “(11) requiring that the final determination in
14 any post-grant review be issued not later than 1
15 year after the date on which the Director notices the
16 institution of a proceeding under this chapter, except
17 that the Director may, for good cause shown, extend
18 the 1-year period by not more than 6 months, and
19 may adjust the time periods in this paragraph in the
20 case of joinder under section 325(e).

21 “(b) CONSIDERATIONS.—In prescribing regulations
22 under this section, the Director shall consider the effect
23 of any such regulation on the economy, the integrity of
24 the patent system, the efficient administration of the Of-

1 fice, and the ability of the Office to timely complete pro-
2 ceedings instituted under this chapter.

3 “(c) PATENT TRIAL AND APPEAL BOARD.—The Pat-
4 ent Trial and Appeal Board shall, in accordance with sec-
5 tion 6, conduct each proceeding authorized by the Direc-
6 tor.

7 “(d) AMENDMENT OF THE PATENT.—

8 “(1) IN GENERAL.—During a post-grant review
9 instituted under this chapter, the patent owner may
10 file 1 motion to amend the patent in 1 or more of
11 the following ways:

12 “(A) Cancel any challenged patent claim.

13 “(B) For each challenged claim, propose a
14 reasonable number of substitute claims.

15 “(2) ADDITIONAL MOTIONS.—Additional mo-
16 tions to amend may be permitted upon the joint re-
17 quest of the petitioner and the patent owner to ma-
18 terially advance the settlement of a proceeding under
19 section 327, or upon the request of the patent owner
20 for good cause shown.

21 “(3) SCOPE OF CLAIMS.—An amendment under
22 this subsection may not enlarge the scope of the
23 claims of the patent or introduce new matter.

24 “(e) EVIDENTIARY STANDARDS.—In a post-grant re-
25 view instituted under this chapter, the petitioner shall

1 have the burden of proving a proposition of
2 unpatentability by a preponderance of the evidence.

3 **“§ 327. Settlement**

4 “(a) IN GENERAL.—A post-grant review instituted
5 under this chapter shall be terminated with respect to any
6 petitioner upon the joint request of the petitioner and the
7 patent owner, unless the Office has decided the merits of
8 the proceeding before the request for termination is filed.
9 If the post-grant review is terminated with respect to a
10 petitioner under this section, no estoppel under section
11 325(d) shall apply to that petitioner. If no petitioner re-
12 mains in the post-grant review, the Office may terminate
13 the post-grant review or proceed to a final written decision
14 under section 328(a).

15 “(b) AGREEMENTS IN WRITING.—Any agreement or
16 understanding between the patent owner and a petitioner,
17 including any collateral agreements referred to in such
18 agreement or understanding, made in connection with, or
19 in contemplation of, the termination of a post-grant review
20 under this section shall be in writing, and a true copy of
21 such agreement or understanding shall be filed in the Of-
22 fice before the termination of the post-grant review as be-
23 tween the parties. If any party filing such agreement or
24 understanding so requests, the copy shall be kept separate
25 from the file of the post-grant review, and shall be made

1 available only to Federal Government agencies upon writ-
2 ten request, or to any other person on a showing of good
3 cause.

4 **“§ 328. Decision of the board**

5 “(a) FINAL WRITTEN DECISION.—If a post-grant re-
6 view is instituted and not dismissed under this chapter,
7 the Patent Trial and Appeal Board shall issue a final writ-
8 ten decision with respect to the patentability of any patent
9 claim challenged by the petitioner and any new claim
10 added under section 326(d).

11 “(b) CERTIFICATE.—If the Patent Trial and Appeal
12 Board issues a final written decision under subsection (a)
13 and the time for appeal has expired or any appeal has
14 terminated, the Director shall issue and publish a certifi-
15 cate canceling any claim of the patent finally determined
16 to be unpatentable, confirming any claim of the patent de-
17 termined to be patentable, and incorporating in the patent
18 by operation of the certificate any new or amended claim
19 determined to be patentable.

20 **“§ 329. Appeal**

21 “A party dissatisfied with the final written decision
22 of the Patent Trial and Appeal Board under section
23 328(a) may appeal the decision pursuant to sections 141
24 through 144. Any party to the post-grant review shall have
25 the right to be a party to the appeal.”.

1 (e) TECHNICAL AND CONFORMING AMENDMENT.—

2 The table of chapters for part III of title 35, United States

3 Code, is amended by adding at the end the following:

“32. Post-Grant Review.....321.”.

4 (f) REGULATIONS AND EFFECTIVE DATE.—

5 (1) REGULATIONS.—The Director shall, not
6 later than the date that is 1 year after the date of
7 the enactment of this Act, issue regulations to carry
8 out chapter 32 of title 35, United States Code, as
9 added by subsection (d) of this section.

10 (2) APPLICABILITY.—The amendments made
11 by subsection (d) shall take effect on the date that
12 is 1 year after the date of the enactment of this Act
13 and shall apply only to patents issued on or after
14 that date. The Director may impose a limit on the
15 number of post-grant reviews that may be instituted
16 during each of the 4 years following the effective
17 date of subsection (d).

18 (3) PENDING INTERFERENCES.—The Director
19 shall determine the procedures under which inter-
20 ferences commenced before the effective date of sub-
21 section (d) are to proceed, including whether any
22 such interference is to be dismissed without preju-
23 dice to the filing of a petition for a post-grant review
24 under chapter 32 of title 35, United States Code, or
25 is to proceed as if this Act had not been enacted.

1 The Director shall include such procedures in regu-
2 lations issued under paragraph (1). For purposes of
3 an interference that is commenced before the effec-
4 tive date of subsection (d), the Director may deem
5 the Patent Trial and Appeal Board to be the Board
6 of Patent Appeals and Interferences, and may allow
7 the Patent Trial and Appeal Board to conduct any
8 further proceedings in that interference. The author-
9 ization to appeal or have remedy from derivation
10 proceedings in sections 141(d) and 146 of title 35,
11 United States Code, and the jurisdiction to entertain
12 appeals from derivation proceedings in section
13 1295(a)(4)(A) of title 28, United States Code, shall
14 be deemed to extend to final decisions in inter-
15 ferences that are commenced before the effective
16 date of subsection (d) and that are not dismissed
17 pursuant to this paragraph.

18 (g) CITATION OF PRIOR ART AND WRITTEN STATE-
19 MENTS.—

20 (1) IN GENERAL.—Section 301 of title 35,
21 United States Code, is amended to read as follows:

22 “**§ 301. Citation of prior art and written statements**

23 “(a) IN GENERAL.—Any person at any time may cite
24 to the Office in writing—

1 “(1) prior art consisting of patents or printed
2 publications which that person believes to have a
3 bearing on the patentability of any claim of a par-
4 ticular patent; or

5 “(2) statements of the patent owner filed in a
6 proceeding before a Federal court or the Office in
7 which the patent owner took a position on the scope
8 of any claim of a particular patent.

9 “(b) OFFICIAL FILE.—If the person citing prior art
10 or written statements pursuant to subsection (a) explains
11 in writing the pertinence and manner of applying the prior
12 art or written statements to at least 1 claim of the patent,
13 the citation of the prior art or written statements and the
14 explanation thereof shall become a part of the official file
15 of the patent.

16 “(c) ADDITIONAL INFORMATION.—A party that sub-
17 mits a written statement pursuant to subsection (a)(2)
18 shall include any other documents, pleadings, or evidence
19 from the proceeding in which the statement was filed that
20 addresses the written statement.

21 “(d) LIMITATIONS.—A written statement submitted
22 pursuant to subsection (a)(2), and additional information
23 submitted pursuant to subsection (c), shall not be consid-
24 ered by the Office for any purpose other than to determine
25 the proper meaning of a patent claim in a proceeding that

1 is ordered or instituted pursuant to section 304, 314, or
2 324. If any such written statement or additional informa-
3 tion is subject to an applicable protective order, it shall
4 be redacted to exclude information that is subject to that
5 order.

6 “(e) CONFIDENTIALITY.—Upon the written request
7 of the person citing prior art or written statements pursu-
8 ant to subsection (a), that person’s identity shall be ex-
9 cluded from the patent file and kept confidential.”.

10 (2) EFFECTIVE DATE.—The amendment made
11 by this subsection shall take effect 1 year after the
12 date of the enactment of this Act and shall apply to
13 patents issued before, on, or after that effective
14 date.

15 (h) REEXAMINATION.—

16 (1) IN GENERAL.—Section 303(a) of title 35,
17 United States Code, is amended by striking “section
18 301 of this title” and inserting “section 301 or
19 302”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by this subsection shall take effect 1 year after the
22 date of the enactment of this Act and shall apply to
23 patents issued before, on, or after that effective
24 date.

1 **SEC. 6. PATENT TRIAL AND APPEAL BOARD.**

2 (a) COMPOSITION AND DUTIES.—Section 6 of title
3 35, United States Code, is amended to read as follows:

4 **“§ 6. Patent Trial and Appeal Board**

5 “(a) There shall be in the Office a Patent Trial and
6 Appeal Board. The Director, the Deputy Director, the
7 Commissioner for Patents, the Commissioner for Trade-
8 marks, and the administrative patent judges shall con-
9 stitute the Patent Trial and Appeal Board. The adminis-
10 trative patent judges shall be persons of competent legal
11 knowledge and scientific ability who are appointed by the
12 Secretary, in consultation with the Director. Any reference
13 in any Federal law, Executive order, rule, regulation, or
14 delegation of authority, or any document of or pertaining
15 to the Board of Patent Appeals and Interferences is
16 deemed to refer to the Patent Trial and Appeal Board.

17 “(b) The Patent Trial and Appeal Board shall—

18 “(1) on written appeal of an applicant, review
19 adverse decisions of examiners upon applications for
20 patents pursuant to section 134(a);

21 “(2) review appeals of reexaminations pursuant
22 to subsections (b) and (c) of section 134;

23 “(3) conduct derivation proceedings pursuant to
24 section 135; and

25 “(4) conduct inter partes reviews and post-
26 grant reviews pursuant to chapters 31 and 32.

1 “(c) Each appeal, interference, derivation proceeding,
2 post-grant review, and inter partes review shall be heard
3 by at least 3 members of the Patent Trial and Appeal
4 Board, who shall be designated by the Director. Only the
5 Patent Trial and Appeal Board may grant rehearings.

6 “(d) The Secretary of Commerce may, in his discre-
7 tion, deem the appointment of an administrative patent
8 judge who, before the date of the enactment of this sub-
9 section, held office pursuant to an appointment by the Di-
10 rector to take effect on the date on which the Director
11 initially appointed the administrative patent judge. It shall
12 be a defense to a challenge to the appointment of an ad-
13 ministrative patent judge on the basis of the judge’s hav-
14 ing been originally appointed by the Director that the ad-
15 ministrative patent judge so appointed was acting as a de
16 facto officer.”.

17 (b) ADMINISTRATIVE APPEALS.—Subsections (b) and
18 (c) of section 134 of title 35, United States Code, are
19 amended to read as follows:

20 “(b) PATENT OWNER.—A patent owner, having once
21 paid the fee for such an appeal, may appeal the final rejec-
22 tion of any claim by the primary examiner to the Patent
23 Trial and Appeal Board in—

24 “(1) any ex parte reexamination; and

1 “(2) an inter partes reexamination that is re-
2 requested under section 311 prior to the date that is
3 1 year after the date of the enactment of the Patent
4 Reform Act of 2010.

5 “(c) THIRD-PARTY.—A third-party requester in an
6 inter partes reexamination that is requested under section
7 311 prior to the date that is 1 year after the date of the
8 enactment of the Patent Reform Act of 2010, having once
9 paid the fee for such an appeal, may appeal to the Patent
10 Trial and Appeal Board from the final decision of the pri-
11 mary examiner favorable to the patentability of any origi-
12 nal or proposed amended or new claim of a patent.”.

13 (c) CIRCUIT APPEALS.—

14 (1) IN GENERAL.—Section 141 of title 35,
15 United States Code, is amended to read as follows:

16 “§ 141. **Appeal to the Court of Appeals for the Federal**
17 **Circuit**

18 “(a) EXAMINATIONS.—An applicant who is dissatis-
19 fied with the final decision in an appeal to the Patent Trial
20 and Appeal Board under section 134(a) may appeal the
21 Board’s decision to the United States Court of Appeals
22 for the Federal Circuit. By filing such an appeal, the ap-
23 plicant waives his right to proceed under section 145.

24 “(b) REEXAMINATIONS.—A party to a reexamination
25 who exercises his right to appeal to the Patent Trial and

1 Appeal Board pursuant to section 134(b) or (c) and who
2 is dissatisfied with the final decision in that appeal may
3 appeal the Board's decision only to the United States
4 Court of Appeals for the Federal Circuit.

5 “(c) POST-GRANT AND INTER PARTES REVIEWS.—
6 A party to a post-grant or inter partes review who is dis-
7 satisfied with the final written decision of the Patent Trial
8 and Appeal Board under section 318(a) or 328(a) may
9 appeal the Board's decision only to the United States
10 Court of Appeals for the Federal Circuit.

11 “(d) DERIVATION PROCEEDINGS.—A party to a deri-
12 vation proceeding who is dissatisfied with the final deci-
13 sion of the Patent Trial and Appeal Board on the pro-
14 ceeding may appeal the decision to the United States
15 Court of Appeals for the Federal Circuit, but such appeal
16 shall be dismissed if any adverse party to such derivation
17 proceeding, within 20 days after the appellant has filed
18 notice of appeal in accordance with section 142, files no-
19 tice with the Director that the party elects to have all fur-
20 ther proceedings conducted as provided in section 146. If
21 the appellant does not, within 30 days after the filing of
22 such notice by the adverse party, file a civil action under
23 section 146, the Board's decision shall govern the further
24 proceedings in the case.”.

1 (2) JURISDICTION.—Section 1295(a)(4)(A) of
2 title 28, United States Code, is amended to read as
3 follows:

4 “(A) the Patent Trial and Appeal Board of
5 the United States Patent and Trademark Office
6 with respect to patent applications, derivation
7 proceedings, reexaminations, post-grant reviews,
8 and inter partes reviews at the instance of a
9 party who exercised his right to participate in
10 a proceeding before or appeal to the Board, ex-
11 cept that an applicant or a party to a derivation
12 proceeding may also have remedy by civil action
13 pursuant to section 145 or 146 of title 35. An
14 appeal under this subparagraph of a decision of
15 the Board with respect to an application or der-
16 ivation proceeding shall waive the right of such
17 applicant or party to proceed under section 145
18 or 146 of title 35;”.

19 (3) PROCEEDINGS ON APPEAL.—Section 143 of
20 title 35, United States Code, is amended—

21 (A) by striking the third sentence and in-
22 serting the following: “In an ex parte case, the
23 Director shall submit to the court in writing the
24 grounds for the decision of the Patent and
25 Trademark Office, addressing all of the issues

1 raised in the appeal. The Director shall have
2 the right to intervene in an appeal from a deci-
3 sion entered by the Patent Trial and Appeal
4 Board (i) in an inter partes reexamination
5 under subsections (b)(2) and (c) of section 134;
6 (ii) in a derivation proceeding under section
7 135; and (iii) in an inter partes or post-grant
8 review under chapter 31 or 32.”; and

9 (B) by repealing the second of the two
10 identical fourth sentences.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect 1 year after the date of the
13 enactment of this Act and shall apply to proceedings com-
14 menced on or after that effective date, except that the ex-
15 tension of jurisdiction to the United States Court of Ap-
16 peals for the Federal Circuit to entertain appeals of deci-
17 sions of the Patent Trial and Appeal Board in reexamina-
18 tions under the amendment made by subsection (c)(2)
19 shall be deemed to take effect on the date of enactment
20 of this Act and shall extend to any decision of the Board
21 of Patent Appeals and Interferences with respect to a re-
22 examination that is entered before, on, or after the date
23 of the enactment of this Act.

1 **SEC. 7. PREISSUANCE SUBMISSIONS BY THIRD PARTIES.**

2 (a) IN GENERAL.—Section 122 of title 35, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 “(e) PREISSUANCE SUBMISSIONS BY THIRD PAR-
6 TIES.—

7 “(1) IN GENERAL.—Any third party may sub-
8 mit for consideration and inclusion in the record of
9 a patent application, any patent, published patent
10 application, or other printed publication of potential
11 relevance to the examination of the application, if
12 such submission is made in writing before the earlier
13 of—

14 “(A) the date a notice of allowance under
15 section 151 is given or mailed in the application
16 for patent; or

17 “(B) the later of—

18 “(i) 6 months after the date on which
19 the application for patent is first published
20 under section 122 by the Office, or

21 “(ii) the date of the first rejection
22 under section 132 of any claim by the ex-
23 aminer during the examination of the ap-
24 plication for patent.

25 “(2) OTHER REQUIREMENTS.—Any submission
26 under paragraph (1) shall—

1 “(A) set forth a concise description of the
2 asserted relevance of each submitted document;

3 “(B) be accompanied by such fee as the
4 Director may prescribe; and

5 “(C) include a statement by the person
6 making such submission affirming that the sub-
7 mission was made in compliance with this sec-
8 tion.”.

9 (b) **EFFECTIVE DATE.**—The amendments made by
10 this section shall take effect 1 year after the date of the
11 enactment of this Act and shall apply to patent applica-
12 tions filed before, on, or after that effective date.

13 **SEC. 8. VENUE.**

14 (a) **CHANGE OF VENUE.**—Section 1400 of title 28,
15 Unite States Code, is amended by adding at the end the
16 following:

17 “(c) **CHANGE OF VENUE.**—For the convenience of
18 parties and witnesses, in the interest of justice, a district
19 court shall transfer any civil action arising under any Act
20 of Congress relating to patents upon a showing that the
21 transferee venue is clearly more convenient than the venue
22 in which the civil action is pending.”.

23 (b) **TECHNICAL AMENDMENTS RELATING TO**
24 **VENUE.**—Sections 32, 145, 146, 154(b)(4)(A), and 293
25 of title 35, United States Code, and section 21(b)(4) of

1 the Act entitled “An Act to provide for the registration
2 and protection of trademarks used in commerce, to carry
3 out the provisions of certain international conventions,
4 and for other purposes”, approved July 5, 1946 (com-
5 monly referred to as the “Trademark Act of 1946” or the
6 “Lanham Act”; 15 U.S.C. 1071(b)(4)), are each amended
7 by striking “United States District Court for the District
8 of Columbia” each place that term appears and inserting
9 “United States District Court for the Eastern District of
10 Virginia”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect upon the date of the enact-
13 ment of this Act and shall apply to civil actions com-
14 menced on or after that date.

15 **SEC. 9. FEE SETTING AUTHORITY.**

16 (a) FEE SETTING.—

17 (1) IN GENERAL.—The Director shall have au-
18 thority to set or adjust by rule any fee established
19 or charged by the Office under sections 41 and 376
20 of title 35, United States Code, or under section 31
21 of the Trademark Act of 1946 (15 U.S.C. 1113), or
22 any other fee established or charged by the Office
23 under any other provision of law, notwithstanding
24 the fee amounts established or charged thereunder,
25 for the filing or processing of any submission to, and

1 for all other services performed by or materials fur-
2 nished by, the Office, provided that patent and
3 trademark fee amounts are in the aggregate set to
4 recover the estimated cost to the Office for proc-
5 essing, activities, services and materials relating to
6 patents and trademarks, respectively, including pro-
7 portionate shares of the administrative costs of the
8 Office.

9 (2) SMALL AND MICRO ENTITIES.—The fees es-
10 tablished under paragraph (1) for filing, processing,
11 issuing, and maintaining patent applications and
12 patents shall be reduced by 50 percent with respect
13 to their application to any small entity that qualifies
14 for reduced fees under section 41(h)(1) of title 35,
15 United States Code, and shall be reduced by 75 per-
16 cent with respect to their application to any micro
17 entity as defined in section 123 of that title.

18 (3) REDUCTION OF FEES IN CERTAIN FISCAL
19 YEARS.—In any fiscal year, the Director—

20 (A) shall consult with the Patent Public
21 Advisory Committee and the Trademark Public
22 Advisory Committee on the advisability of re-
23 ducing any fees described in paragraph (1); and

24 (B) after the consultation required under
25 subparagraph (A), may reduce such fees.

1 (4) ROLE OF THE PUBLIC ADVISORY COM-
2 MITTEE.—The Director shall—

3 (A) submit to the Patent Public Advisory
4 Committee or the Trademark Public Advisory
5 Committee, or both, as appropriate, any pro-
6 posed fee under paragraph (1) not less than 45
7 days before publishing any proposed fee in the
8 Federal Register;

9 (B) provide the relevant advisory com-
10 mittee described in subparagraph (A) a 30-day
11 period following the submission of any proposed
12 fee, on which to deliberate, consider, and com-
13 ment on such proposal, and require that—

14 (i) during such 30-day period, the rel-
15 evant advisory committee hold a public
16 hearing related to such proposal; and

17 (ii) the Director shall assist the rel-
18 evant advisory committee in carrying out
19 such public hearing, including by offering
20 the use of Office resources to notify and
21 promote the hearing to the public and in-
22 terested stakeholders;

23 (C) require the relevant advisory com-
24 mittee to make available to the public a written
25 report detailing the comments, advice, and rec-

1 ommendations of the committee regarding any
2 proposed fee;

3 (D) consider and analyze any comments,
4 advice, or recommendations received from the
5 relevant advisory committee before setting or
6 adjusting any fee; and

7 (E) notify, through the Chair and Ranking
8 Member of the Senate and House Judiciary
9 Committees, the Congress of any final rule set-
10 ting or adjusting fees under paragraph (1).

11 (5) PUBLICATION IN THE FEDERAL REG-
12 ISTER.—

13 (A) IN GENERAL.—Any rules prescribed
14 under this subsection shall be published in the
15 Federal Register.

16 (B) RATIONALE.—Any proposal for a
17 change in fees under this section shall—

18 (i) be published in the Federal Reg-
19 ister; and

20 (ii) include, in such publication, the
21 specific rationale and purpose for the pro-
22 posal, including the possible expectations
23 or benefits resulting from the proposed
24 change.

1 (C) PUBLIC COMMENT PERIOD.—Following
2 the publication of any proposed fee in the Fed-
3 eral Register pursuant to subparagraph (A), the
4 Director shall seek public comment for a period
5 of not less than 45 days.

6 (6) CONGRESSIONAL COMMENT PERIOD.—Fol-
7 lowing the notification described in paragraph
8 (3)(E), Congress shall have not more than 45 days
9 to consider and comment on any final rule setting or
10 adjusting fees under paragraph (1). No fee set or
11 adjusted under paragraph (1) shall be effective prior
12 to the end of such 45-day comment period.

13 (7) RULE OF CONSTRUCTION.—No rules pre-
14 scribed under this subsection may diminish—

15 (A) an applicant’s rights under title 35,
16 United States Code, or the Trademark Act of
17 1946; or

18 (B) any rights under a ratified treaty.

19 (b) FEES FOR PATENT SERVICES.—Division B of
20 Public Law 108-447 is amended in title VIII of the De-
21 partments of Commerce, Justice, and State, the Judiciary,
22 and Related Agencies Appropriations Act, 2005—

23 (1) in subsections (a), (b), and (c) of section
24 801, by—

1 (A) striking “During” and all that follows
2 through “ 2006, subsection” and inserting
3 “Subsection”; and

4 (B) striking “shall be administered as
5 though that subsection reads” and inserting “is
6 amended to read”;

7 (2) in subsection (d) of section 801, by striking
8 “During” and all that follows through “ 2006, sub-
9 section” and inserting “Subsection”; and

10 (3) in subsection (e) of section 801, by—

11 (A) striking “During” and all that follows
12 through “2006, subsection” and inserting
13 “Subsection”; and

14 (B) striking “shall be administered as
15 though that subsection”.

16 (c) ADJUSTMENT OF TRADEMARK FEES.—Divi-
17 sion B of Public Law 108-447 is amended in title VIII
18 of the Departments of Commerce, Justice and State, the
19 Judiciary and Related Agencies Appropriations Act, 2005,
20 in section 802(a) by striking “During fiscal years 2005,
21 2006 and 2007”, and inserting “Until such time as the
22 Director sets or adjusts the fees otherwise,”.

23 (d) EFFECTIVE DATE, APPLICABILITY, AND TRANSI-
24 TION PROVISIONS.—Division B of Public Law 108-447 is
25 amended in title VIII of the Departments of Commerce,

1 Justice and State, the Judiciary and Related Agencies Ap-
2 propriations Act, 2005, in section 803(a) by striking “and
3 shall apply only with respect to the remaining portion of
4 fiscal year 2005, 2006 and 2007”.

5 (e) STATUTORY AUTHORITY.—Section 41(d)(1)(A) of
6 title 35, United States Code, is amended by striking “,
7 and the Director may not increase any such fee there-
8 after”.

9 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion shall be construed to affect any other provision of Di-
11 vision B of Public Law 108-447, including section 801(c)
12 of title VIII of the Departments of Commerce, Justice and
13 State, the Judiciary and Related Agencies Appropriations
14 Act, 2005.

15 (g) DEFINITIONS.—In this section, the following defi-
16 nitions shall apply:

17 (1) DIRECTOR.—The term “Director” means
18 the Director of the United States Patent and Trade-
19 mark Office.

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

22 (3) TRADEMARK ACT OF 1946.—The term
23 “Trademark Act of 1946” means an Act entitled
24 “Act to provide for the registration and protection
25 of trademarks used in commerce, to carry out the

1 provisions of certain international conventions, and
2 for other purposes”, approved July 5, 1946 (15
3 U.S.C. 1051 et seq.) (commonly referred to as the
4 Trademark Act of 1946 or the Lanham Act).

5 (h) ELECTRONIC FILING INCENTIVE.—

6 (1) IN GENERAL.—Notwithstanding any other
7 provision of this section, the fee charged for each ap-
8 plication for an original patent, except for design,
9 plant, or provisional applications, shall be increased
10 by \$400 for applications that are not filed by elec-
11 tronic means as prescribed by the Director. The fee
12 established by this subsection shall be reduced 50
13 percent for small entities that qualify for reduced
14 fees under section 41(h)(1) of title 35, United States
15 Code.

16 (2) EFFECTIVE DATE.—This subsection shall
17 become effective 60 days after the date of the enact-
18 ment of this Act.

19 (i) EFFECTIVE DATE.—Except as provided in sub-
20 section (h), the provisions of this section shall take effect
21 upon the date of the enactment of this Act.

22 **SEC. 10. SUPPLEMENTAL EXAMINATION.**

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

1 **“§ 257. Supplemental examinations to consider, re-**
2 **consider, or correct information**

3 “(a) IN GENERAL.—A patent owner may request
4 supplemental examination of a patent to consider, recon-
5 sider, or correct information believed to be relevant to the
6 patent. Within 3 months of the date a request for supple-
7 mental examination meeting the requirements of this sec-
8 tion is received, the Director shall conclude the supple-
9 mental examination by issuing a certificate indicating
10 whether the information presented in the request raises
11 a substantial new question of patentability.

12 “(b) REEXAMINATION ORDERED.—If a substantial
13 new question of patentability is raised by 1 or more items
14 of information in the request, the Director shall order re-
15 examination of the patent. The reexamination shall be
16 conducted according to procedures established by chapter
17 30, except that the patent owner shall not have the right
18 to file a statement pursuant to section 304. During the
19 reexamination, the Director shall address each substantial
20 new question of patentability identified during the supple-
21 mental examination, notwithstanding the limitations
22 therein relating to patents and printed publication or any
23 other provision of chapter 30.

24 “(c) EFFECT.—

25 “(1) IN GENERAL.—A patent shall not be held
26 unenforceable under section 282 on the basis of con-

1 duct relating to information that had not been con-
2 sidered, was inadequately considered, or was incor-
3 rect in a prior examination of the patent if the infor-
4 mation was considered, reconsidered, or corrected
5 during a supplemental examination of the patent.
6 The making of a request under subsection (a), or
7 the absence thereof, shall not be relevant to enforce-
8 ability of the patent under section 282.

9 “(2) EXCEPTIONS.—

10 “(A) PRIOR APPLICATIONS.—This sub-
11 section shall not apply to an allegation pled
12 with particularity under section 282, or set
13 forth with particularity in a notice received by
14 the patent owner under section
15 505(j)(2)(B)(iv)(II) of the Federal Food,
16 Drug, and Cosmetic Act (21 U.S.C.
17 355(j)(2)(B)(iv)(II)), before the date of a re-
18 quest under subsection (a) to consider, recon-
19 sider, or correct information forming the basis
20 for the allegation.

21 “(B) PATENT ENFORCEMENT ACTIONS.—

22 In an action brought under section 337(a) of
23 the Tariff Act of 1930 (19 U.S.C. 1337(a)), or
24 section 281 of this title, this subsection shall
25 not apply to any defense raised based upon in-

1 formation that was considered, reconsidered or
2 corrected pursuant to a request under sub-
3 section (a) unless the supplemental examina-
4 tion, and any reexamination ordered pursuant
5 to the request, are concluded prior to the date
6 on which the action is brought.

7 “(d) FEES AND REGULATIONS.—The Director shall,
8 by regulation, establish fees for the submission of a re-
9 quest for supplemental examination of a patent, and to
10 consider each item of information submitted in the re-
11 quest. If reexamination is ordered pursuant to subsection
12 (a), fees established and applicable to ex parte reexamina-
13 tion proceedings under chapter 30 shall be paid in addition
14 to fees applicable to supplemental examination. The Direc-
15 tor shall promulgate regulations governing the form, con-
16 tent, and other requirements of requests for supplemental
17 examination, and establishing procedures for conducting
18 review of information submitted in such requests.

19 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
20 tion shall be construed—

21 “(1) to preclude the imposition of sanctions
22 based upon criminal or antitrust laws (including sec-
23 tion 1001(a) of title 18, the first section of the Clay-
24 ton Act, and section 5 of the Federal Trade Com-

1 mission Act to the extent that section relates to un-
2 fair methods of competition);

3 “(2) to limit the authority of the Director to in-
4 vestigate issues of possible misconduct and impose
5 sanctions for misconduct in connection with matters
6 or proceedings before the Office; or

7 “(3) to limit the authority of the Director to
8 promulgate regulations under chapter 3 relating to
9 sanctions for misconduct by representatives prac-
10 ticing before the Office.”.

11 (b) EFFECTIVE DATE.—This section shall take effect
12 1 year after the date of the enactment of this Act and
13 shall apply to patents issued before, on, or after that date.

14 **SEC. 11. RESIDENCY OF FEDERAL CIRCUIT JUDGES.**

15 (a) RESIDENCY.—The second sentence of section
16 44(c) of title 28, United States Code, is repealed.

17 (b) FACILITIES.—Section 44 of title 28, United
18 States Code, is amended by adding at the end the fol-
19 lowing:

20 “(e)(1) The Director of the Administrative Office of
21 the United States Courts shall provide—

22 “(A) a judge of the Federal judicial circuit who
23 lives within 50 miles of the District of Columbia
24 with appropriate facilities and administrative sup-

1 port services in the District of the District of Colum-
2 bia; and

3 “(B) a judge of the Federal judicial circuit who
4 does not live within 50 miles of the District of Co-
5 lumbia with appropriate facilities and administrative
6 support services—

7 “(i) in the district and division in which
8 that judge resides; or

9 “(ii) if appropriate facilities are not avail-
10 able in the district and division in which that
11 judge resides, in the district and division closest
12 to the residence of that judge in which such fa-
13 cilities are available, as determined by the Di-
14 rector.

15 “(2) Nothing in this subsection may be construed to
16 authorize or require the construction of new facilities.”.

17 **SEC. 12. MICRO ENTITY DEFINED.**

18 Chapter 11 of title 35, United States Code, is amend-
19 ed by adding at the end the following new section:

20 **“§ 123. Micro entity defined**

21 “(a) IN GENERAL.—For purposes of this title, the
22 term ‘micro entity’ means an applicant who makes a cer-
23 tification under either subsection (b) or (c).

1 “(b) UNASSIGNED APPLICATION.—For an unas-
2 signed application, each applicant shall certify that the ap-
3 plicant—

4 “(1) qualifies as a small entity, as defined in
5 regulations issued by the Director;

6 “(2) has not been named on 5 or more pre-
7 viously filed patent applications;

8 “(3) has not assigned, granted, or conveyed,
9 and is not under an obligation by contract or law to
10 assign, grant, or convey, a license or any other own-
11 ership interest in the particular application; and

12 “(4) does not have a gross income, as defined
13 in section 61(a) of the Internal Revenue Code (26
14 U.S.C. 61(a)), exceeding 2.5 times the average gross
15 income, as reported by the Department of Labor, in
16 the calendar year immediately preceding the cal-
17 endar year in which the examination fee is being
18 paid.

19 “(c) ASSIGNED APPLICATION.—For an assigned ap-
20 plication, each applicant shall certify that the applicant—

21 “(1) qualifies as a small entity, as defined in
22 regulations issued by the Director, and meets the re-
23 quirements of subsection (b)(4);

24 “(2) has not been named on 5 or more pre-
25 viously filed patent applications; and

1 “(3) has assigned, granted, conveyed, or is
2 under an obligation by contract or law to assign,
3 grant, or convey, a license or other ownership inter-
4 est in the particular application to an entity that has
5 5 or fewer employees and that such entity has a
6 gross income, as defined in section 61(a) of the In-
7 ternal Revenue Code (26 U.S.C. 61(a)), that does
8 not exceed 2.5 times the average gross income, as
9 reported by the Department of Labor, in the cal-
10 endar year immediately preceding the calendar year
11 in which the examination fee is being paid.

12 “(d) INCOME LEVEL ADJUSTMENT.—The gross in-
13 come levels established under subsections (b) and (c) shall
14 be adjusted by the Director on October 1, 2009, and every
15 year thereafter, to reflect any fluctuations occurring dur-
16 ing the previous 12 months in the Consumer Price Index,
17 as determined by the Secretary of Labor.”.

18 **SEC. 13. FUNDING AGREEMENTS.**

19 Section 202(c)(7)(E)(i) of title 35, United States
20 Code, is amended—

21 (1) by striking “75 percent” and inserting “15
22 percent”; and

23 (2) by striking “25 percent” and inserting “85
24 percent”.

1 **SEC. 14. TRAVEL EXPENSES TEST PROGRAM.**

2 (a) IN GENERAL.—Section 5710 of title 5, United
3 States Code, is amended—

4 (1) in subsection (a)(1), by striking “for a pe-
5 riod not to exceed 24 months”; and

6 (2) by striking subsection (e) and inserting the
7 following:

8 “(e)(1) The Patent and Trademark Office shall con-
9 duct a test program under this section.

10 “(2) In conducting the program under this sub-
11 section, the Patent and Trademark Office may pay any
12 travel expenses of an employee for travel to and from a
13 Patent and Trademark Office worksite, if—

14 “(A) the employee is employed at a Patent and
15 Trademark Office worksite and enters into an ap-
16 proved telework arrangement;

17 “(B) the employee requests to telework from a
18 location beyond the local commuting area of the Pat-
19 ent and Trademark Office worksite; and

20 “(C) the Patent and Trademark Office ap-
21 proves the requested arrangement for reasons of em-
22 ployee convenience instead of an agency need for the
23 employee to relocate in order to perform duties spe-
24 cific to the new location.

25 “(3)(A) The Patent and Trademark Office shall es-
26 tablish an oversight committee comprising an equal num-

1 ber of members representing management and labor, in-
2 cluding representatives from each collective bargaining
3 unit.

4 “(B) The oversight committee shall develop the oper-
5 ating procedures for the program under this subsection
6 to—

7 “(i) provide for the effective and appropriate
8 functioning of the program; and

9 “(ii) ensure that—

10 “(I) reasonable technological or other al-
11 ternatives to employee travel are used before re-
12 quiring employee travel, including teleconfer-
13 encing, videoconferencing or internet-based
14 technologies;

15 “(II) the program is applied consistently
16 and equitably throughout the Patent and
17 Trademark Office; and

18 “(III) an optimal operating standard is de-
19 veloped and implemented for maximizing the
20 use of the telework arrangement described
21 under paragraph (2) while minimizing agency
22 travel expenses and employee travel require-
23 ments.

1 “(4)(A) The test program under this subsection shall
2 be designed to enhance cost savings or other efficiencies
3 that accrue to the Government.

4 “(B) The Director of the Patent and Trademark Of-
5 fice shall—

6 “(i) prepare an analysis of the expected
7 costs and benefits and a set of criteria for eval-
8 uating the effectiveness of the program; and

9 “(ii) before the test program is imple-
10 mented, submit the analysis and criteria to the
11 Administrator of General Services and to the
12 appropriate committees of Congress.

13 “(C) With respect to an employee of the Patent and
14 Trademark Office who voluntarily relocates from the pre-
15 existing duty station of that employee, the operating pro-
16 cedures of the program may include a reasonable max-
17 imum number of occasional visits to the pre-existing duty
18 station before that employee is eligible for payment of any
19 accrued travel expenses by the Office.

20 “(D)(i) Not later than 3 months after completion of
21 the test program under this subsection, the Director of
22 the Patent and Trademark Office shall provide a report
23 on the results of the program to the Administrator of Gen-
24 eral Services and to the appropriate committees of Con-
25 gress.

1 “(ii) The results in the report described under para-
2 graph (1) may include—

3 “(I) the number of visits an employee makes to
4 the pre-existing duty station of that employee;

5 “(II) the travel expenses paid by the Office;

6 “(III) the travel expenses paid by the employee;

7 or

8 “(IV) any other information that the Director
9 determines may be useful to aid the Administrator
10 and Congress in understanding the test program and
11 the impact of the program.

12 “(E) In this paragraph, the term ‘appropriate com-
13 mittees of Congress’ means—

14 “(i) the Committees on Homeland Security and
15 Governmental Affairs and on the Judiciary of the
16 Senate; and

17 “(ii) the Committees on Government Oversight
18 and Reform and on the Judiciary of the House of
19 Representatives.

20 “(f)(1) Except as provided under paragraph (2), the
21 authority to conduct test programs under this section shall
22 expire 7 years after the date of the enactment of the Trav-
23 el and Transportation Reform Act of 1998.

24 “(2) The authority to conduct a test program by the
25 Patent and Trademark Office under this section shall ex-

1 pire 20 years after the date of the enactment of the Travel
2 and Transportation Reform Act of 1998.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall take effect as though enacted as part
5 of the Travel and Transportation Reform Act of 1998
6 (Public Law 105–264; 112 Stat. 2350).

7 **SEC. 15. BEST MODE REQUIREMENT.**

8 (a) **IN GENERAL.**—Section 282(b), as so designated
9 and amended by section 17(g), is further amended by
10 striking paragraph (3) and inserting the following:

11 “(3) Invalidity of the patent or any claim in
12 suit for failure to comply with—

13 “(A) any requirement of section 112, ex-
14 cept that the failure to disclose the best mode
15 shall not be a basis on which any claim of a
16 patent may be canceled or held invalid or other-
17 wise unenforceable; or

18 “(B) any requirement of section 251.”.

19 (b) **EFFECTIVE DATE.**—The amendments made by
20 this section shall take effect upon the date of the enact-
21 ment of this Act and shall apply to proceedings com-
22 menced on or after that date.

23 **SEC. 16. DISTRICT COURT PILOT PROGRAM.**

24 (a) **ESTABLISHMENT.**—

1 (1) IN GENERAL.—There is established a pro-
2 gram, in each of the United States district courts
3 designated under subsection (b), under which—

4 (A) those district judges of that district
5 court who request to hear cases under which 1
6 or more issues arising under any Act of Con-
7 gress relating to patents or plant variety protec-
8 tion are required to be decided, are designated
9 by the chief judge of the court to hear those
10 cases;

11 (B) cases described in subparagraph (A)
12 are randomly assigned to the judges of the dis-
13 trict court, regardless of whether the judges are
14 designated under subparagraph (A);

15 (C) a judge not designated under subpara-
16 graph (A) to whom a case is assigned under
17 subparagraph (B) may decline to accept the
18 case; and

19 (D) a case declined under subparagraph
20 (C) is randomly reassigned to 1 of those judges
21 of the court designated under subparagraph
22 (A).

23 (2) SENIOR JUDGES.—Senior judges of a dis-
24 trict court may be designated under paragraph

1 (1)(A) if at least 1 judge of the court in regular ac-
2 tive service is also so designated.

3 (3) RIGHT TO TRANSFER CASES PRESERVED.—

4 This section shall not be construed to limit the abil-
5 ity of a judge to request the reassignment of or oth-
6 erwise transfer a case to which the judge is assigned
7 under this section, in accordance with otherwise ap-
8 plicable rules of the court.

9 (b) DESIGNATION.—

10 (1) IN GENERAL.—Not later than 6 months
11 after the date of the enactment of this Act, the Di-
12 rector of the Administrative Office of the United
13 States Courts shall designate not less than 6 United
14 States district courts, in at least 3 different judicial
15 circuits, in which the program established under
16 subsection (a) will be carried out.

17 (2) CRITERIA FOR DESIGNATIONS.—

18 (A) IN GENERAL.—The Director shall
19 make designations under paragraph (1) from—

20 (i) the 15 district courts in which the
21 largest number of patent and plant variety
22 protection cases were filed in the most re-
23 cent calendar year that has ended; or

1 (ii) the district courts that have
2 adopted local rules for patent and plant va-
3 riety protection cases.

4 (B) SELECTION OF COURTS.—From
5 amongst the district courts that satisfy the cri-
6 teria for designation under this subsection, the
7 Director shall select—

8 (i) 3 district courts that each have at
9 least 10 district judges authorized to be
10 appointed by the President, whether under
11 section 133(a) of title 28, United States
12 Code, or on a temporary basis under any
13 other provision of law, and at least 3
14 judges of the court have made the request
15 under subsection (a)(1)(A); and

16 (ii) 3 district courts that each have
17 fewer than 10 district judges authorized to
18 be appointed by the President, whether
19 under section 133(a) of title 28, United
20 States Code, or on a temporary basis
21 under any other provision of law, and at
22 least 2 judges of the court have made the
23 request under subsection (a)(1)(A).

1 (c) DURATION.—The program established under sub-
2 section (a) shall terminate 10 years after the end of the
3 6-month period described in subsection (b).

4 (d) APPLICABILITY.—The program established under
5 subsection (a) shall apply in a district court designated
6 under subsection (b) only to cases commenced on or after
7 the date of such designation.

8 (e) REPORTS TO CONGRESS.—

9 (1) IN GENERAL.—At the times specified in
10 paragraph (2), the Director of the Administrative
11 Office of the United States Courts, in consultation
12 with the chief judge of each of the district courts
13 designated under subsection (b) and the Director of
14 the Federal Judicial Center, shall submit to the
15 Committee on the Judiciary of the House of Rep-
16 resentatives and the Committee on the Judiciary of
17 the Senate a report on the pilot program established
18 under subsection (a). The report shall include—

19 (A) an analysis of the extent to which the
20 program has succeeded in developing expertise
21 in patent and plant variety protection cases
22 among the district judges of the district courts
23 so designated;

1 (B) an analysis of the extent to which the
2 program has improved the efficiency of the
3 courts involved by reason of such expertise;

4 (C) with respect to patent cases handled by
5 the judges designated pursuant to subsection
6 (a)(1)(A) and judges not so designated, a com-
7 parison between the 2 groups of judges with re-
8 spect to—

9 (i) the rate of reversal by the Court of
10 Appeals for the Federal Circuit, of such
11 cases on the issues of claim construction
12 and substantive patent law; and

13 (ii) the period of time elapsed from
14 the date on which a case is filed to the
15 date on which trial begins or summary
16 judgment is entered;

17 (D) a discussion of any evidence indicating
18 that litigants select certain of the judicial dis-
19 tricts designated under subsection (b) in an at-
20 tempt to ensure a given outcome; and

21 (E) an analysis of whether the pilot pro-
22 gram should be extended to other district
23 courts, or should be made permanent and apply
24 to all district courts.

1 (2) TIMETABLE FOR REPORTS.—The times re-
2 ferred to in paragraph (1) are—

3 (A) not later than the date that is 5 years
4 and 3 months after the end of the 6-month pe-
5 riod described in subsection (b); and

6 (B) not later than 5 years after the date
7 described in subparagraph (A).

8 (3) PERIODIC REPORTS.—The Director of the
9 Administrative Office of the United States Courts,
10 in consultation with the chief judge of each of the
11 district courts designated under subsection (b) and
12 the Director of the Federal Judicial Center, shall
13 keep the committees referred to in paragraph (1) in-
14 formed, on a periodic basis while the pilot program
15 is in effect, with respect to the matters referred to
16 in subparagraphs (A) through (E) of paragraph (1).

17 (f) AUTHORIZATION FOR TRAINING AND CLERK-
18 SHIPS.—

19 (1) IN GENERAL.—In addition to any other
20 funds made available to carry out this section, there
21 are authorized to be appropriated not less than
22 \$5,000,000 in each fiscal year for—

23 (A) educational and professional develop-
24 ment of those district judges designated under

1 subsection (a)(1)(A) in matters relating to pat-
2 ents and plant variety protection; and

3 (B) compensation of law clerks with exper-
4 tise in technical matters arising in patent and
5 plant variety protection cases, to be appointed
6 by the courts designated under subsection (b)
7 to assist those courts in such cases.

8 (2) AVAILABILITY OF FUNDS.—Amounts made
9 available pursuant to this subsection shall remain
10 available until expended.

11 **SEC. 17. TECHNICAL AMENDMENTS.**

12 (a) JOINT INVENTIONS.—Section 116 of title 35,
13 United States Code, is amended—

14 (1) in the first paragraph, by striking
15 “When” and inserting “(a) JOINT INVEN-
16 TIONS.—When”;

17 (2) in the second paragraph, by striking
18 “If a joint inventor” and inserting “(b) OMIT-
19 TED INVENTOR.—If a joint inventor”; and

20 (3) in the third paragraph—

21 (A) by striking “Whenever” and in-
22 sserting “(c) CORRECTION OF ERRORS IN
23 APPLICATION.—Whenever”; and

24 (B) by striking “and such error arose
25 without any deceptive intent on his part,”.

1 (b) FILING OF APPLICATION IN FOREIGN COUN-
2 TRY.—Section 184 of title 35, United States Code, is
3 amended—

4 (1) in the first paragraph—

5 (A) by striking “Except when” and insert-
6 ing “(a) FILING IN FOREIGN COUNTRY.—Ex-
7 cept when”; and

8 (B) by striking “and without deceptive in-
9 tent”;

10 (2) in the second paragraph, by striking “The
11 term” and inserting “(b) APPLICATION.—The
12 term”; and

13 (3) in the third paragraph, by striking “The
14 scope” and inserting “(c) SUBSEQUENT MODIFICA-
15 TIONS, AMENDMENTS, AND SUPPLEMENTS.—The
16 scope”.

17 (c) FILING WITHOUT A LICENSE.—Section 185 of
18 title 35, United States Code, is amended by striking “and
19 without deceptive intent”.

20 (d) REISSUE OF DEFECTIVE PATENTS.—Section 251
21 of title 35, United States Code, is amended—

22 (1) in the first paragraph—

23 (A) by striking “Whenever” and inserting
24 “(a) IN GENERAL.—Whenever”; and

1 (B) by striking “without deceptive inten-
2 tion”;

3 (2) in the second paragraph, by striking “The
4 Director” and inserting “(b) MULTIPLE REISSUED
5 PATENTS.—The Director”;

6 (3) in the third paragraph, by striking “The
7 provisions” and inserting “(c) APPLICABILITY OF
8 THIS TITLE.—The provisions”; and

9 (4) in the last paragraph, by striking “No re-
10 issued patent” and inserting “(d) REISSUE PATENT
11 ENLARGING SCOPE OF CLAIMS.—No reissued pat-
12 ent”.

13 (e) EFFECT OF REISSUE.—Section 253 of title 35,
14 United States Code, is amended—

15 (1) in the first paragraph, by striking “When-
16 ever, without deceptive intention” and inserting “(a)
17 IN GENERAL.—Whenever”; and

18 (2) in the second paragraph, by striking “in
19 like manner” and inserting “(b) ADDITIONAL DIS-
20 CLAIMER OR DEDICATION.—In the manner set forth
21 in subsection (a),”.

22 (f) CORRECTION OF NAMED INVENTOR.—Section
23 256 of title 35, United States Code, is amended—

24 (1) in the first paragraph—

1 (A) by striking “Whenever” and inserting
2 “(a) CORRECTION.—Whenever”; and

3 (B) by striking “and such error arose with-
4 out any deceptive intention on his part”; and

5 (2) in the second paragraph, by striking “The
6 error” and inserting “(b) PATENT VALID IF ERROR
7 CORRECTED.—The error”.

8 (g) PRESUMPTION OF VALIDITY.—Section 282 of
9 title 35, United States Code, is amended—

10 (1) in the first undesignated paragraph, by
11 striking “A patent” and inserting “(a) IN GEN-
12 ERAL.—A patent”;

13 (2) in the second undesignated paragraph, by
14 striking “The following” and inserting “(b) DE-
15 FENSES.—The following”; and

16 (3) in the third undesignated paragraph, by
17 striking “In actions” and inserting “(c) NOTICE OF
18 ACTIONS; ACTIONS DURING EXTENSION OF PATENT
19 TERM.—In actions”.

20 (h) ACTION FOR INFRINGEMENT.—Section 288 of
21 title 35, United States Code, is amended by striking “,
22 without deceptive intention,”.

23 (i) REVISER’S NOTES.—

1 (1) Section 3(e)(2) of title 35, United States
2 Code, is amended by striking “this Act,” and insert-
3 ing “that Act,”.

4 (2) Section 202(b)(3) of title 35, United States
5 Code, is amended by striking “the section 203(b)”
6 and inserting “section 203(b)”.

7 (3) Section 209(d)(1) of title 35, United States
8 Code, is amended by striking “nontransferrable”
9 and inserting “nontransferable”.

10 (4) Section 287(c)(2)(G) of title 35, United
11 States Code, is amended by striking “any state” and
12 inserting “any State”.

13 (5) Section 371(b) of title 35, United States
14 Code, is amended by striking “of the treaty” and in-
15 serting “of the treaty.”.

16 (j) UNNECESSARY REFERENCES.—

17 (1) IN GENERAL.—Title 35, United States
18 Code, is amended by striking “of this title” each
19 place that term appears.

20 (2) EXCEPTION.—The amendment made by
21 paragraph (1) shall not apply to the use of such
22 term in the following sections of title 35, United
23 States Code:

24 (A) Section 1(c).

25 (B) Section 101.

1 (C) Subsections (a) and (b) of section 105.

2 (D) The first instance of the use of such
3 term in section 111(b)(8).

4 (E) Section 157(a).

5 (F) Section 161.

6 (G) Section 164.

7 (H) Section 171.

8 (I) Section 251(c), as so designated by this
9 section.

10 (J) Section 261.

11 (K) Subsections (g) and (h) of section 271.

12 (L) Section 287(b)(1).

13 (M) Section 289.

14 (N) The first instance of the use of such
15 term in section 375(a).

16 (k) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect 1 year after the date of the
18 enactment of this Act and shall apply to proceedings com-
19 menced on or after that effective date.

20 **SEC. 18. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

21 (a) EFFECTIVE DATE.—Except as otherwise provided
22 in this Act, the provisions of this Act shall take effect 1
23 year after the date of the enactment of this Act and shall
24 apply to any patent issued on or after that effective date.

1 (b) CONTINUITY OF INTENT UNDER THE CREATE
2 ACT.—The enactment of section 102(c) of title 35, United
3 States Code, under section (2)(b) of this Act is done with
4 the same intent to promote joint research activities that
5 was expressed, including in the legislative history, through
6 the enactment of the Cooperative Research and Tech-
7 nology Enhancement Act of 2004 (Public Law 108–453;
8 the “CREATE Act”), the amendments of which are
9 stricken by section 2(c) of this Act. The United States
10 Patent and Trademark Office shall administer section
11 102(c) of title 35, United States Code, in a manner con-
12 sistent with the legislative history of the CREATE Act
13 that was relevant to its administration by the United
14 States Patent and Trademark Office.