# [DISCUSSION DRAFT]

**SEPTEMBER 6, 2013** 

113TH CONGRESS
1st Session

# H.R.

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

#### IN THE HOUSE OF REPRESENTATIVES

М	introduced the following bill; which was referred to the
	Committee on

# A BILL

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

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 [" Act of 2013"].
- 6 (b) Table of Contents for
- 7 this Act is as follows:

Sec. 1. Short title; table of contents.

- Sec. 2. Definitions.
- Sec. 3. Patent infringement actions.
- Sec. 4. Transparency of Patent Ownership.
- Sec. 5. Customer-suit exception.
- Sec. 6. Procedures and Practices to Implement and Recommendations to the Judicial Conference.
- Sec. 7. Small Business Education, Outreach, and Information Access.
- Sec. 8. Studies on Patent Transactions, Quality, and Examination.
- Sec. 9. Improvements and Technical Corrections to the Leahy-Smith America Invents Act.
- Sec. 10. Effective Date.

#### 1 SEC. 2. DEFINITIONS.

- 2 In this Act:
- 3 (1) Director.—The term "Director" means
- 4 the Under Secretary of Commerce for Intellectual
- 5 Property and Director of the United States Patent
- 6 and Trademark Office.
- 7 (2) Office.—The term "Office" means the
- 8 United States Patent and Trademark Office.
- 9 SEC. 3. PATENT INFRINGEMENT ACTIONS.
- 10 (a) Pleading Requirements.—
- 11 (1) AMENDMENT.—Chapter 29 of title 35,
- 12 United States Code, is amended by inserting after
- section 281 the following:
- 14 "§ 281A. Pleading requirements for patent infringe-
- 15 ment actions
- 16 "(a) Pleading Requirements.—Except as pro-
- 17 vided in subsection (b), in a civil action in which a party
- 18 asserts a claim for relief arising under any Act of Con-
- 19 gress relating to patents, a party alleging infringement
- 20 shall include in the initial complaint, counterclaim, or

1	cross-claim for patent infringement, unless the informa-
2	tion is not reasonable accessible, the following:
3	"(1) An identification of each patent allegedly
4	infringed.
5	"(2) An identification of each claim of each pat-
6	ent identified under paragraph (1) that is allegedly
7	infringed.
8	"(3) For each claim identified under paragraph
9	(2), an identification of each accused apparatus,
10	product, feature, device, method, system, process,
11	function, act, service, or other instrumentality (re-
12	ferred to in this section as an 'accused instrumen-
13	tality') alleged to infringe the claim.
14	"(4) For each accused instrumentality identi-
15	fied under paragraph (3), an identification with par-
16	ticularity, if known, of—
17	"(A) the name or model number of each
18	accused instrumentality; and
19	"(B) the name of each accused method,
20	system, process, function, act, or service, or the
21	name or model number of each apparatus,
22	product, feature, or device that, when used, al-
23	legedly results in the practice of the claimed in-
24	vention.

1	"(5) For each accused instrumentality identi-
2	fied under paragraph (3), an explanation of—
3	"(A) where each element of each claim
4	identified under paragraph (2) is found within
5	the accused instrumentality;
6	"(B) whether each such element is in-
7	fringed literally or under the doctrine of equiva-
8	lents; and
9	"(C) with detailed specificity, how the
10	terms in each claim identified under paragraph
11	(2) correspond to the functionality of the ac-
12	cused instrumentality.
13	"(6) For each claim that is alleged to have been
14	infringed indirectly, a description of—
15	"(A) the direct infringement;
16	"(B) any person alleged to be a direct in-
17	fringer known to the party alleging infringe-
18	ment; and
19	"(C) the acts of the alleged indirect in-
20	fringer that contribute to or are inducing the
21	direct infringement.
22	"(7) A description of the right of the party al-
23	leging infringement to assert each—
24	"(A) patent identified under paragraph
25	(1); and

1	"(B) patent claim identified under para-
2	graph (2).
3	"(8) A description of the principal business of
4	the party alleging infringement.
5	"(9) A list of each complaint filed, of which the
6	party alleging infringement has knowledge, that as-
7	serts or asserted any of the patents identified under
8	paragraph (1).
9	"(10) For each patent identified under para-
10	graph (1), whether such patent is subject to any li-
11	censing term or pricing commitments through any
12	agency or standard-setting body.
13	"(b) Exemption.—A claim for relief arising under
14	section 271(e)(2) shall not be subject to the requirements
15	of subsection (a).".
16	(2) Conforming amendment.—The table of
17	sections for chapter 29 of title 35, United States
18	Code, is amended by inserting after the item relating
19	to section 281 the following new item:
	"281A. Pleading requirements for patent infringement actions.".
20	(b) Fees and Other Expenses.—
21	(1) Amendment.—Section 285 of title 35,
22	United States Code, is amended to read as follows:
23	"§ 285. Fees and other expenses
24	"(a) AWARD.—The court shall award, to a prevailing
25	party, reasonable fees and other expenses incurred by that

1	party in connection with a civil action in which any party
2	asserts a claim for relief arising under any Act of Con-
3	gress relating to patents, unless the court finds that the
4	position of the nonprevailing party or parties was substan-
5	tially justified or that special circumstances make an
6	award unjust.
7	"(b) Recovery.—If a nonprevailing party is unable
8	to pay reasonable costs and other expenses awarded by
9	the court pursuant to subsection (a), the court may make
10	the reasonable costs and other expenses recoverable
11	against any interested party joined pursuant to section
12	299(d).".
13	(2) Technical and conforming amend-
14	MENTS.—
15	(A) TECHNICAL AND CONFORMING AMEND-
16	MENT.—The item relating to section 285 of the
17	table of sections for chapter 29 of title 35,
18	United States Code, is amended to read as fol-
19	lows:
	"285. Fees and other expenses.".
20	(B) Conforming amendment.—Section
21	273 of title 35, United States Code, is amended
22	by striking subsections (f) and (g).
23	(3) Effective date.—The amendments made
24	by this subsection shall take effect on the date of the

1	enactment of this Act and shall apply to any action
2	for which a complaint is filed on or after that date.
3	(c) Joinder of Interested Parties.—Section
4	299 of title 35, United States Code, is amended by adding
5	at the end the following new subsection:
6	"(d) Joinder of Interested Parties.—
7	"(1) Joinder.—In a civil action arising under
8	any Act of Congress relating to patents, the court
9	shall grant a motion by a party defending against an
10	allegation of infringement of a patent claim to join
11	an interested party if such defending party shows
12	that the party alleging infringement has no substan-
13	tial interest in the patent or patents at issue other
14	than asserting such patent claim in litigation.
15	"(2) Limitation on joinder.—The court may
16	deny a motion to join an interested party under
17	paragraph (1) if—
18	"(A) the interested party is not subject to
19	service of process; or
20	"(B) joinder under paragraph (1) would
21	deprive the court of subject matter jurisdiction
22	or make venue improper.
23	"(3) Interested party defined.—In this
24	subsection, the term 'interested party' means a per-

1	son, other than the party alleging infringement,
2	that—
3	"(A) is an assignee of the patent or pat-
4	ents at issue;
5	"(B) has a right, including a contingent
6	right, to enforce or sublicense the patent or pat-
7	ents at issue; or
8	"(C) has a direct financial interest in the
9	patent or patents at issue, including the right
10	to any part of an award of damages or any part
11	of licensing revenue, except that a person with
12	a direct financial interest does not include—
13	"(i) an attorney or law firm providing
14	legal representation in the civil action if
15	the sole basis for the financial interest of
16	the attorney or law firm in the outcome of
17	the action arises from the attorney or law
18	firm's receipt of compensation reasonably
19	related to the provision of the legal rep-
20	resentation; or
21	"(ii) a person whose sole financial in-
22	terest in the patent or patents at issue is
23	ownership of an equity interest in the
24	party alleging infringement, unless such

1	person also has the right or ability to influ-
2	ence, direct, or control the civil action.".
3	(d) Discovery Limits.—
4	(1) Amendment.—Chapter 29 of title 35,
5	United States Code, is amended by adding at the
6	end the following new section:
7	"§ 299A. Discovery in patent infringement action
8	"(a) Discovery in Patent Infringement Ac-
9	TION.—Except as provided in subsection (b), in a civil ac-
10	tion arising under any Act of Congress relating to patents,
11	if the court determines that a ruling relating to the con-
12	struction of terms used in a patent claim asserted in the
13	complaint is required, discovery shall be limited, until such
14	ruling is issued, to information necessary for the court to
15	determine the meaning of the terms used in the patent
16	claim, including any interpretation of those terms used to
17	support the claim of infringement.
18	"(b) DISCRETION TO EXPAND SCOPE OF DIS-
19	COVERY.—
20	"(1) Timely resolution of actions.—If,
21	under any provision of Federal law (including the
22	amendments made by the Drug Price Competition
23	and Patent Term Restoration Act of 1984 (Public
24	Law 98–417)), resolution within a specified period
25	of time of a civil action arising under any Act of

1	Congress relating to patents will necessarily affect
2	the rights of a party with respect to the patent, the
3	court may permit discovery in addition to the dis-
4	covery authorized under subsection (a) before the
5	ruling described in subsection (a) is issued as nec-
6	essary to ensure timely resolution of the action.
7	"(2) Resolution of motions.—When nec-
8	essary to resolve a motion properly raised by a party
9	before a ruling relating to the construction of terms
10	described in subsection (a), the court may allow lim-
11	ited discovery in addition to the discovery authorized
12	under subsection (a) as necessary to resolve the mo-
13	tion.".
14	(2) Conforming amendment.—The table of
15	sections for chapter 29 of title 35, United States
16	Code, is amended by adding at the end the following
17	new item:
	"299A. Discovery in patent infringement action".
18	(e) Effective Date.—Except as otherwise provided
19	in this section, the amendments made by this section shall
20	take effect on the date of the enactment of this Act and
21	shall apply to any action for which a complaint is filed
22	on or after that date.
23	SEC. 4. TRANSPARENCY OF PATENT OWNERSHIP.
24	(a) Amendments.—Section 290 of title 35, United
25	States Code, is amended—

1	(1) in the heading, by striking " <b>suits</b> " and in-
2	serting "suits; disclosure of interests";
3	(2) by striking "The clerks" and inserting "(a)
4	Notice of patent suits.—The clerks"; and
5	(3) by adding at the end the following new sub-
6	sections:
7	"(b) Initial Disclosure.—
8	"(1) In general.—Except as provided in para-
9	graph (2), upon the filing of an initial complaint for
10	patent infringement, the plaintiff shall disclose to
11	the Patent and Trademark Office, the court, and
12	each adverse party the identity of each of the fol-
13	lowing:
14	"(A) The assignee of the patent or patents
15	at issue.
16	"(B) Any entity with a right to sublicense
17	or enforce the patent or patents at issue.
18	"(C) Any entity, other than the plaintiff,
19	that the plaintiff knows to have a financial in-
20	terest in—
21	"(i) the patent or patents at issue; or
22	"(ii) the plaintiff.
23	"(D) The ultimate parent entity of any as-
24	signee identified under subparagraph (A) and

1	any entity identified under subparagraphs (B)
2	and (C).
3	"(2) Exemption.—The requirements of para-
4	graph (1) shall not apply with respect to a civil ac-
5	tion filed under subsection (a) that includes a cause
6	of action described under section 271(e)(2).
7	"(c) DISCLOSURE COMPLIANCE.—
8	"(1) Publicly traded.—For purposes of sub-
9	section (b), if the financial interest is held by a cor-
10	poration traded on a public stock exchange, an iden-
11	tification of the name of the corporation and the
12	public exchange listing shall satisfy the disclosure re-
13	quirement.
14	"(2) Not publicly traded.—For purposes of
15	subsection (b), if the financial interest is not held by
16	a publicly traded corporation, the disclosure shall
17	satisfy the disclosure requirement if the information
18	identifies—
19	"(A) in the case of a partnership, the
20	name of the partnership and the name and cor-
21	respondence address of each partner or other
22	entity that holds more than a 5 percent share
23	of that partnership;
24	"(B) in the case of a corporation, the
25	name of the corporation, the location of incor-

1	poration, the address of the principal place of
2	business, and the name of each officer of the
3	corporation; and
4	"(C) for each individual, the name and
5	correspondence address of that individual.
6	"(d) Ongoing Duty of Disclosure to the Pat-
7	ENT AND TRADEMARK OFFICE.—
8	"(1) In general.—A plaintiff required to sub-
9	mit information under subsection (b) or a subse-
10	quent owner of the patent or patents at issue shall,
11	not later than 90 days after any change in the as-
12	signee of the patent or patents at issue or an entity
13	described under subparagraphs (B) and (D) of sub-
14	section (b)(1), submit to the Patent and Trademark
15	Office the updated identification of such assignee or
16	entity.
17	"(2) Failure to comply.—With respect to a
18	patent for which the requirement of paragraph (1)
19	has not been met—
20	"(A) the plaintiff or subsequent owner
21	shall not be entitled to recover fees and other
22	expenses under section 285 or increased dam-
23	ages under section 284 with respect to infring-
24	ing activities taking place during any period of
25	noncompliance with paragraph (1), unless the

1	denial of such damages or fees would be mani-
2	festly unjust; and
3	"(B) the court shall award to a prevailing
4	party accused of infringement reasonable attor-
5	ney fees and expenses incurred to discover the
6	updated assignee or entity described under
7	paragraph (1), unless such sanctions would be
8	unjust.
9	"(e) Definitions.—In this section:
10	"(1) Financial interest.—The term 'finan-
11	cial interest'—
12	"(A) means ownership of a legal or equi-
13	table interest, such as—
14	"(i) any person who directly or indi-
15	rectly owns or controls more than $5\%$ of
16	the party alleging infringement of the pat-
17	ent; or
18	"(ii) any person with a right to re-
19	ceive proceeds from the action, including a
20	fixed or variable portion of such proceeds;
21	and
22	"(B) does not mean—
23	"(i) ownership of shares or other in-
24	terests in a mutual or common investment
25	fund, unless the owner of such interest

1	participates in the management of such
2	fund; or
3	"(ii) the proprietary interest of a pol-
4	icyholder in a mutual insurance company,
5	of a depositor in a mutual savings associa-
6	tion, or a similar proprietary interest, un-
7	less the outcome of the proceeding could
8	substantially affect the value of such inter-
9	est.
10	"(2) Proceeding.—The term 'proceeding'
11	means all stages of a civil action, including pretrial
12	and trial proceedings and appellate review.
13	"(3) Ultimate parent entity.—
14	"(A) In general.—Except as provided in
15	subparagraph (B), the term 'ultimate parent
16	entity' has the meaning given such term in sec-
17	tion 801.1(a)(3) of title 16, Code of Federal
18	Regulations, or any successor regulation.
19	"(B) Modification of Definition.—The
20	Director may modify the definition of 'ultimate
21	parent entity' by regulation.".
22	(b) Technical and Conforming Amendment.—
23	The item relating to section 290 in the table of sections
24	for chapter 29 of title 35, United States Code, is amended
25	to read as follows:

"290. Notice of patent suits; disclosure of interests".

- 1 (c) Regulations.—The Director may promulgate
- 2 such regulations as are necessary to establish a registra-
- 3 tion fee in an amount sufficient to recover the estimated
- 4 costs of administering subsections (b) through (e) of sec-
- 5 tion 290 of title 35, United States Code, as added by sub-
- 6 section (a), to facilitate the collection and maintenance of
- 7 the information required by such subsections, and to en-
- 8 sure the timely disclosure of such information to the pub-
- 9 lic.
- 10 (d) Effective Date.—The amendments made by
- 11 this section shall take effect upon the expiration of the
- 12 6-month period beginning on the date of the enactment
- 13 of this Act and shall apply to any action for which a com-
- 14 plaint is filed on or after such effective date.
- 15 SEC. 5. CUSTOMER-SUIT EXCEPTION.
- 16 (a) AMENDMENT.—Section 296 of title 35, United
- 17 States Code, is amended to read as follows:
- 18 "§ 296. Stay of action against customer
- 19 "(a) Stay of Action Against Customer.—In any
- 20 civil action arising under any Act of Congress relating to
- 21 patents, the court shall grant a motion to stay at least
- 22 the portion of the action against a covered customer re-
- 23 lated to infringement of a patent involving a covered prod-
- 24 uct or process if the following requirements are met:

1	"(1) The covered manufacturer and the covered
2	customer consent in writing to the stay.
3	"(2) The covered manufacturer is a party to
4	the action or to a separate action involving the same
5	patent or patents related to the same covered prod-
6	uct or process.
7	"(3) The covered customer agrees to be bound
8	by any judgment entered against the covered manu-
9	facturer to the same extent that the manufacturer
10	may be bound with respect to issues that covered
11	manufacturer and the covered customer have in
12	common.
13	"(4) The motion is filed after the first pleading
14	in the action and not later than 120 days after serv-
15	ice of the first pleading in the action that specifically
16	identifies—
17	"(A) the covered product or process as a
18	basis for the alleged infringement of the patent
19	by the covered customer; and
20	"(B) how the covered product or process is
21	alleged to infringe the patent.
22	"(b) Applicability of Stay.—A stay issued pursu-
23	ant to subsection (a) shall apply only to the patents, prod-
24	ucts, systems, or components accused of infringement in
25	the action.

1	"(c) Lift of Stay.—
2	"(1) In general.—A stay entered pursuant to
3	this section may be lifted upon grant of a motion
4	based on a showing that—
5	"(A) the action involving the covered man-
6	ufacturer will not resolve a major issue in suit
7	against the covered customer; or
8	"(B) the stay unreasonably prejudices and
9	would be manifestly unjust to the party seeking
10	to lift the stay.
11	"(2) Separate manufacturer action in-
12	VOLVED.—In the case of a stay entered based on the
13	participation of the covered manufacturer in a sepa-
14	rate action involving the same patent or patents re-
15	lated to the same covered product or process, a mo-
16	tion under this subsection may only be made if the
17	court in such separate action determines the show-
18	ing required under this paragraph has been met.
19	"(d) Rule of Construction.—Nothing in this sec-
20	tion shall be construed to limit the ability of a court to
21	grant any stay, or expand any stay granted pursuant to
22	this section, if otherwise permitted by law.
23	"(e) Definitions.—In this section:
24	"(1) COVERED CUSTOMER.—The term 'covered
25	customer' means a party accused of infringing a pat-

ent or patents in dispute based on a covered product
or process.
"(2) COVERED MANUFACTURER.—The term
'covered manufacturer' means a person that manu-
factures or supplies, or causes the manufacture or
supply of, a covered product or process or a relevant
part of such product or process.
"(3) COVERED PRODUCT OR PROCESS.—The
term 'covered product or process' means a product,
process, system, service, component, material, or ap-
paratus, or relevant part thereof, that—
"(A) is alleged to infringe the patent or
patents in dispute; or
"(B) implements a process alleged to in-
fringe the patent or patents in dispute.".
(b) Conforming Amendment.—The table of sec-
tions for chapter 29 of title 35, United States Code, is
amended by striking the item relating to section 296 and
inserting the following:
"296. Stay of action against customer.".
(c) Effective Date.—The amendments made by
this section shall take effect on the date of the enactment
of this Act and shall apply to any action for which a com-
plaint is filed on or after that date.

1	SEC. 6. PROCEDURES AND PRACTICES TO IMPLEMENT AND
2	RECOMMENDATIONS TO THE JUDICIAL CON-
3	FERENCE.
4	(a) Judicial Conference Rules and Proce-
5	DURES ON DISCOVERY BURDENS AND COSTS.—
6	(1) Rules and procedures.—The Judicial
7	Conference of the United States shall develop rules
8	and procedures to implement the requirements de-
9	scribed in paragraph (2) to address the asymmetries
10	in discovery burdens and costs in any civil action
11	arising under any Act of Congress relating to pat-
12	ents. Such rules and procedures shall include how
13	and when payment for discovery in addition to the
14	discovery of core documentary evidence is to occur,
15	and what information must be presented to dem-
16	onstrate financial capacity before permitting dis-
17	covery in addition to core documentary evidence.
18	(2) Rules and procedures to be consid-
19	ERED.—The rules and procedures required under
20	paragraph (1) shall include each of the following re-
21	quirements:
22	(A) DISCOVERY OF CORE DOCUMENTARY
23	EVIDENCE.—Each party to the action is enti-
24	tled to receive core documentary evidence and
25	shall be responsible for the costs of producing

1	core documentary evidence within the posses-
2	sion or control of each such party.
3	(B) ELECTRONIC COMMUNICATION.—If the
4	parties determine that the discovery of elec-
5	tronic communication is necessary, such dis-
6	covery shall occur after the parties have ex-
7	changed initial disclosures and core documen-
8	tary evidence and shall be in accordance with
9	the following:
10	(i) Any request for the production of
11	electronic communication shall be specific
12	and may not be a general request for the
13	production of information relating to a
14	product or business.
15	(ii) Each request shall identify the
16	custodian of the information requested, the
17	search terms, and a time frame. The par-
18	ties shall cooperate to identify the proper
19	custodians, the proper search terms, and
20	the proper time frame.
21	(iii) A party may not submit more
22	than 5 production requests to a custodian,
23	unless the parties jointly agree to modify
24	the number of production requests without
25	leave of the court.

1	(iv) The court may consider contested
2	requests for up to five additional
3	custodians per producing party, upon a
4	showing of a distinct need based on the
5	size, complexity, and issues of the case.
6	(v) If a party requests the discovery
7	of electronic communication for additional
8	custodians beyond the limits agreed to by
9	the parties or granted by the court, the re-
10	questing party shall bear all reasonable
11	costs caused by such additional discovery.
12	(C) Additional discovery.—
13	(i) IN GENERAL.—Each party to the
14	action may seek any additional discovery
15	otherwise permitted under the Federal
16	Rules of Civil Procedure, if such party
17	bears the costs, including reasonable attor-
18	ney's fees, of the additional discovery.
19	(ii) Requirements for additional
20	DISCOVERY.—Unless the parties mutually
21	agree otherwise, no party shall be per-
22	mitted additional discovery unless such
23	party posts a bond, or provides other secu-
24	rity, in an amount sufficient to cover the
25	expected costs of such additional discovery.

1	or makes a showing to the court that such
2	party has the financial capacity to pay the
3	costs of the discovery.
4	(iii) Limits on additional dis-
5	COVERY.—A court, upon motion, may de-
6	termine that a request for additional dis-
7	covery is excessive, irrelevant, or otherwise
8	abusive and may set limits on such addi-
9	tional discovery.
10	(iv) Good cause modification.—A
11	court, upon motion and for good cause
12	shown, may modify the requirements of
13	subparagraphs (A) and (B) and any defini-
14	tion under paragraph (3). Not later than
15	30 days after the pretrial conference under
16	Rule 16 of the Federal Rules of Civil Pro-
17	cedure, the parties shall jointly submit any
18	proposed modifications of the requirements
19	of subparagraphs (A) and (B) and any def-
20	inition under paragraph (3), unless the
21	parties do not agree, in which case each
22	party shall submit any proposed modifica-
23	tion of such party and a summary of the
24	disagreement over the modification.

1	(v) Computer code.—A court, upon
2	motion and for good cause shown, may de-
3	termine that computer code should be in-
4	cluded in the discovery of core documen-
5	tary evidence. The discovery of computer
6	code shall occur after the parties have ex-
7	changed initial disclosures and core docu-
8	mentary evidence.
9	(D) DISCOVERY SEQUENCE AND SCOPE.—
10	The parties shall discuss and address in the
11	written report filed pursuant to Rule 26(f) of
12	the Federal Rules of Civil Procedure the views
13	and proposals of each party on the following:
14	(i) When the discovery of core docu-
15	mentary evidence should be completed.
16	(ii) Whether additional discovery will
17	be sought under subparagraph (C).
18	(iii) Any issues about infringement,
19	invalidity, or damages that, if resolved be-
20	fore the additional discovery described in
21	subparagraph (C) commences, might sim-
22	plify or streamline the case, including the
23	identification of any terms or phrases re-
24	lating to any patent claim at issue to be
25	construed by the court and whether the

1	early construction of any of those terms or
2	phrases would be helpful.
3	(3) Definitions.—In this subsection:
4	(A) CORE DOCUMENTARY EVIDENCE.—In
5	this subsection, the term "core documentary
6	evidence''—
7	(i) includes documents—
8	(I) relating to the conception of,
9	reduction to practice of, and applica-
10	tion for, the patent or patents at
11	issue;
12	(II) sufficient to show the tech-
13	nical operation of the product or proc-
14	ess identified in the complaint as in-
15	fringing the patent or patents at
16	issue;
17	(III) relating to potentially invali-
18	dating prior art;
19	(IV) relating to any licensing of
20	the patent or patents at issue before
21	the date on which the complaint is
22	filed;
23	(V) sufficient to show profit at-
24	tributable to the claimed invention of
25	the patent or patents at issue;

1	(VI) relating to any knowledge by
2	the accused infringer of the patent or
3	patents at issue before the date on
4	which the complaint is filed; and
5	(VII) sufficient to show any
6	marking or other notice provided of
7	the patent or patents at issue; and
8	(ii) does not include computer code,
9	except as specified in paragraph (2)(C)(v).
10	(B) ELECTRONIC COMMUNICATION.—The
11	term "electronic communication" means any
12	form of electronic communication, including
13	email, text message, or instant message.
14	(4) Implementation by the district
15	COURTS.—Not later than 6 months after the date on
16	which the Judicial Conference has developed the
17	rules and procedures required by this subsection,
18	each district court and the United States Court of
19	Federal Claims shall revise the applicable local rules
20	for such court to implement such rules and proce-
21	dures.
22	(b) Judicial Conference Recommendations on
23	CASE MANAGEMENT.—Not later than 6 months after the
24	date of the enactment of this Act, the Judicial Conference
25	of the United States shall recommend case management

1	procedures to be implemented by the district courts and
2	the United States Court of Federal Claims for any civil
3	action arising under any Act of Congress relating to pat-
4	ents, including initial disclosure and early case manage-
5	ment conference practices that—
6	(1) will identify any potential dispositive issues
7	of the case; and
8	(2) focus on early summary judgment motions
9	when resolution of issues may lead to expedited dis-
10	position of the case.
11	(c) REVISION OF FORM FOR PATENT INFRINGE-
12	MENT.—
13	(1) Elimination of form.—The Supreme
14	Court shall eliminate Form 18 in the Appendix to
15	the Federal Rules of Civil Procedure (relating to
16	Complaint for Patent Infringement), effective on the
17	date of the enactment of this Act.
18	(2) REVISED FORM.—The Supreme Court may
19	prescribe a new form or forms setting out model al-
20	legations of patent infringement that, at a minimum,
21	notify accused infringers of the asserted claim or
22	claims, the products or services accused of infringe-
23	ment, and the plaintiff's theory for how each ac-
24	cused product or service meets each limitation of
25	each asserted claim. The Judicial Conference should

1	exercise the authority under section 2073 of title 28,
2	United States Code, to make recommendations with
3	respect to such new form or forms.
4	(d) Protection of Intellectual-property Li-
5	CENSES IN BANKRUPTCY.—
6	(1) In general.—Section 1520(a) of title 11,
7	United States Code, is amended—
8	(A) in paragraph (3), by striking "; and"
9	and inserting a semicolon;
10	(B) in paragraph (4), by striking the pe-
11	riod at the end and inserting "; and"; and
12	(C) by inserting at the end the following
13	new paragraph:
14	"(5) section 365(n) applies to intellectual prop-
15	erty of which the debtor is a licensor or which the
16	debtor has transferred.".
17	(2) Effective date.—The amendments made
18	by this subsection shall take effect on the date of the
19	enactment of this Act and shall apply to any action
20	for which a complaint is pending on, or filed on or
21	after, such date of enactment.
22	SEC. 7. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-
23	FORMATION ACCESS.
24	(a) Small Business Education and Out-
25	REACH.—

1	(1) RESOURCES FOR SMALL BUSINESS.—Using
2	existing resources, the Director shall develop edu-
3	cational resources for small businesses to address
4	concerns arising from patent infringement.
5	(2) Small business patent ombudsman.—
6	The Patent Ombudsman Program established under
7	section 28 of the Leahy-Smith America Invents Act
8	(Public Law 112–29; 125 Stat. 339; 35 U.S.C. 2
9	note) shall coordinate with the existing small busi-
10	ness outreach programs of the Office to provide edu-
11	cation and awareness on abusive patent litigation
12	practices.
13	(b) Improving Information Transparency for
14	SMALL BUSINESS AND THE UNITED STATES PATENT AND
15	Trademark Office Users.—
16	(1) Website.—Using existing resources, the
17	Director shall create a user-friendly section on the
18	official website of the Office to notify the public
19	when a patent case is brought in Federal court and
20	with respect to each patent at issue in such case, the
21	Director shall include—
22	(A) information disclosed pursuant to sub-
23	sections (b) and (d) of section 290 of title 35,
24	United States Code, as added by section 4(a) of
25	this Act; and

1	(B) any other information the Director de-
2	termines to be relevant.
3	(2) FORMAT.—The information described in
4	paragraph (1) shall be searchable by patent number,
5	patent art area, and entity to promote accessibility
6	for the public.
7	SEC. 8. STUDIES ON PATENT TRANSACTIONS, QUALITY,
8	AND EXAMINATION.
9	(a) Study on Secondary Market Oversight for
10	PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY
11	AND ETHICAL BUSINESS PRACTICES.—
12	(1) Study required.—The Director, in con-
13	sultation with the Secretary of Commerce, the Sec-
14	retary of the Treasury, the Chairman of the Securi-
15	ties and Exchange Commission, the heads of other
16	relevant agencies, and interested parties, shall, using
17	existing resources of the Office, conduct a study—
18	(A) to develop legislative recommendations
19	to ensure greater transparency and account-
20	ability in patent transactions occurring on the
21	secondary market;
22	(B) to examine the economic impact that
23	the patent secondary market has on the United
24	States;

1	(C) to examine licensing and other over-
2	sight requirements that may be placed on the
3	patent secondary market, including the partici-
4	pants in such markets, to ensure that the mar-
5	ket is a level playing field and that brokers in
6	the market have the requisite expertise and ad-
7	here to ethical business practices; and
8	(D) to examine the requirements placed on
9	other markets.
10	(2) Submission of study.—Not later than
11	seven months after the date of the enactment of this
12	Act, the Director shall submit a report to the Com-
13	mittee on the Judiciary of the House of Representa-
14	tives and the Committee on the Judiciary of the
15	Senate on the findings and recommendations of the
16	Director from the study required under paragraph
17	(1).
18	(b) Study on Patents Owned by the United
19	STATES GOVERNMENT.—
20	(1) Study required.—The Director, in con-
21	sultation with the heads of relevant agencies and in-
22	terested parties, shall, using existing resources of the
23	Office, conduct a study on patents owned by the
24	United States Government that—

1	(A) examines how such patents are li-
2	censed and sold, and any litigation relating to
3	the licensing or sale of such patents;
4	(B) provides legislative and administrative
5	recommendations on whether there should be
6	restrictions placed on patents acquired from the
7	United States Government;
8	(C) examines whether or not each relevant
9	agency maintains adequate records on the pat-
10	ents owned by such agency, specifically whether
11	such agency addresses licensing, assignment,
12	and Government grants for technology related
13	to such patents; and
14	(D) provides recommendations to ensure
15	that each relevant agency has an adequate
16	point of contact that is responsible for man-
17	aging the patent portfolio of the agency.
18	(2) Report on study.—Not later than six
19	months after the date of the enactment of this Act,
20	the Director shall submit to the Committee on the
21	Judiciary of the House of Representatives and the
22	Committee on the Judiciary of the Senate a report
23	on the findings and recommendations of the Director
24	from the study required under paragraph (1).

1	(c) Study on Patent Quality and Access to
2	THE BEST INFORMATION DURING EXAMINATION.—
3	(1) GAO STUDY.—The Comptroller General of
4	the United States shall conduct a study on patent
5	examination at the Office and the technologies avail-
6	able to improve examination and improve patent
7	quality.
8	(2) Contents of the study.—The study re-
9	quired under paragraph (1) shall include the fol-
10	lowing:
11	(A) An examination of patent quality at
12	the Office.
13	(B) An examination of ways to improve
14	quality, specifically through technology, that
15	shall include examining best practices at foreign
16	patent offices and the use of existing off-the-
17	shelf technologies to improve patent examina-
18	tion.
19	(C) A description of how patents are clas-
20	sified.
21	(D) An examination of procedures in place
22	to prevent double patenting through filing by
23	applicants in multiple art areas.
24	(E) An examination of the types of off-the-
25	shelf prior art databases and search software

1	used by foreign patent offices and governments,
2	particularly in Europe and Asia, and whether
3	those databases and search tools could be used
4	by the Office to improve patent examination.
5	(F) An examination of any other areas the
6	Comptroller General determines to be relevant.
7	(3) Report to congress.—Not later than 6
8	months after the date of the enactment of this Act,
9	the Comptroller General shall submit to the Com-
10	mittee on the Judiciary of the House of Representa-
11	tives and the Committee on the Judiciary of the
12	Senate a report on the findings and recommenda-
13	tions of the study required by this subsection, in-
14	cluding recommendations for any changes to laws
15	and regulations that will improve the examination of
16	patent applications and patent quality.
17	SEC. 9. IMPROVEMENTS AND TECHNICAL CORRECTIONS TO
18	THE LEAHY-SMITH AMERICA INVENTS ACT.
19	(a) Repeal of Civil Action to Obtain a Pat-
20	ENT.—
21	(1) Repeal.—Section 145 of title 35, United
22	States Code, is repealed.
23	(2) Conforming amendments.—

1	(A) FEDERAL CIRCUIT JURISDICTION.—
2	Section 1295(a)(4) of title 28, United States
3	Code, is amended—
4	(i) in subparagraph (A), by striking
5	"except that an applicant or a party" and
6	all that follows through the end of the sub-
7	paragraph and inserting the following: "ex-
8	cept that a party to a derivation pro-
9	ceeding may also have remedy by civil ac-
10	tion pursuant to section 146 of title 35; an
11	appeal under this subparagraph of a deci-
12	sion of the Board with respect to a deriva-
13	tion proceeding shall waive the right of
14	such party to proceed under section 146 of
15	title 35;"; and
16	(ii) in subparagraph (C), by striking
17	"section 145, 146, or" and inserting "sec-
18	tion 146 or".
19	(B) Federal circuit appeal.—Section
20	141(a) of title 35, United States Code, is
21	amended—
22	(i) by striking "may appeal the
23	Board's decision to" and inserting "may
24	appeal the Board's decision only to"; and
25	(ii) by striking the second sentence.

1	(C) Adjustment of patent term.—Sec-
2	tion 154(b)(1)(A)(iii) of title 35, United States
3	Code, is amended by striking "section 141, 145,
4	or 146" and inserting "section 141 or 146".
5	(D) CLERICAL AMENDMENT.—The table of
6	sections for chapter 13 of title 35, United
7	States Code, is amended by repealing the item
8	relating to section 145.
9	(3) Effective date.—The amendments made
10	by this subsection shall apply to any proceeding in
11	which a decision is made by the Patent Trial and
12	Appeal Board on or after the date of the enactment
13	of this Act.
14	(b) Post-grant Review Amendment.—Section
15	325(e)(2) of title 35, United States Code is amended by
16	striking "or reasonably could have raised".
17	(c) USE OF DISTRICT-COURT CLAIM CONSTRUCTION
18	IN POST-GRANT AND INTER PARTES REVIEWS.—
19	(1) Inter partes review.—Section 316(a) of
20	title 35, United States Code, is amended—
21	(A) in paragraph (12), by striking "; and"
22	and inserting a semicolon;
23	(B) in paragraph (13), by striking the pe-
24	riod at the end and inserting ": and": and

1	(C) by adding at the end the following new
2	paragraph:
3	"(14) providing that for all purposes under this
4	chapter—
5	"(A) each claim of a patent shall be con-
6	strued as such claim would be in a civil action
7	to invalidate a patent under section 282(b), in-
8	cluding construing each claim of the patent in
9	accordance with the ordinary and customary
10	meaning of such claim as understood by one of
11	ordinary skill in the art and the prosecution
12	history pertaining to the patent; and
13	"(B) if a court has previously construed
14	the claim or a claim term in a civil action in
15	which the patent owner was a party, the Office
16	shall consider such claim construction.".
17	(2) Post-grant review.—Section 326(a) of
18	title 35, United States Code, is amended—
19	(A) in paragraph (11), by striking "; and"
20	and inserting a semicolon;
21	(B) in paragraph (12), by striking the pe-
22	riod at the end and inserting "; and"; and
23	(C) by adding at the end the following new
24	paragraph:

1	"(13) providing that for all purposes under this
2	chapter—
3	"(A) each claim of a patent shall be con-
4	strued as such claim has been or would be in
5	a civil action to invalidate a patent under sec-
6	tion 282(b), including construing each claim of
7	the patent in accordance with the ordinary and
8	customary meaning of such claim as understood
9	by one of ordinary skill in the art and the pros-
10	ecution history pertaining to the patent; and
11	"(B) if a court has previously construed
12	the claim or a claim term in a civil action in
13	which the patent owner was a party, the Office
14	shall consider such claim construction.".
15	(3) Technical and conforming amend-
16	MENT.—Section 18(a)(1)(A) of the Leahy-Smith
17	America Invents Act (Public Law 112–29; 126 Stat.
18	329) is amended by striking "Section 321(c)" and
19	inserting "Sections 321(c) and 326(a)(13)".
20	(4) Effective date.—The amendments made
21	by this subsection shall take effect upon the expira-
22	tion of the 90-day period beginning on the date of
23	the enactment of this Act, and shall apply to any
24	proceeding under chapter 31 or 32 of title 35,

1	United States Code, for which the petition for review
2	is filed on or after such effective date.
3	(d) Codification of the Double-Patenting
4	DOCTRINE FOR FIRST-INVENTOR-TO-FILE PATENTS.—
5	(1) Amendment.—Chapter 10 of title 35,
6	United States Code, is amended by adding at the
7	end the following new section:
8	"§ 106. Prior art in cases of double patenting
9	"A claimed invention of a patent issued under section
10	151 (referred to as the 'first patent') that is not prior art
11	to a claimed invention of another patent (referred to as
12	the 'second patent') shall be considered prior art to the
13	claimed invention of the second patent for the purpose of
14	determining the non-obviousness of the claimed invention
15	of the second patent under section 103 if—
16	"(1) the claimed invention of the first patent
17	was effectively filed under section 102(d) on or be-
18	fore the effective filing date of the claimed invention
19	of the second patent;
20	"(2) either—
21	"(A) the first patent and second patent
22	name the same inventor; or
23	"(B) the claimed invention of the first pat-
24	ent would constitute prior art to the claimed in-
25	vention of the second patent under section

1	102(a)(2) if an exception under section
2	102(b)(2) did not apply and, if applicable, if the
3	claimed invention of the first patent had not
4	been effectively filed under section 102(d) on
5	(but was effectively filed before) the effective
6	filing date of the claimed invention of the sec-
7	ond patent; and
8	"(3) the patentee of the second patent has not
9	disclaimed the rights to enforce the second patent
10	independently from, and beyond the statutory term
11	of, the first patent.".
12	(2) Regulations.—The Director shall promul-
13	gate regulations setting forth the form and content
14	of any disclaimer required for a patent to be issued
15	in compliance with section 106 of title 35, United
16	States Code, as added by paragraph (1).
17	(3) Conforming amendment.—The table of
18	sections for chapter 10 of title 35, United States
19	Code, is amended by adding at the end the following
20	new item:
	"106. Prior art in cases of double patenting.".
21	(4) Effective date.—The amendments made
22	by this subsection shall take effect on the date of the
23	enactment of this Act and shall apply to a patent or
24	patent application only if both the first and second
25	patents described in section 106 of title 35, United

1	States Code, as added by paragraph (1), are patents
2	or patent applications that are described in section
3	3(n)(1) of the Leahy-Smith America Invents Act (35
4	U.S.C. 100 note).
5	(e) Covered Business Method Patent Re-
6	VIEWS.—
7	(1) Limitation; repeal.—
8	(A) Limitation to first-to-invent pat-
9	ENTS.—Section 18(a)(2) of the Leahy-Smith
10	America Invents Act is amended by striking
11	"shall not apply to a patent described in section
12	6(f)(2)(A) of this Act during the period in
13	which a petition for post-grant review of that
14	patent would satisfy the requirements of section
15	321(c) of title 35, United States Code" and in-
16	serting "shall not apply to a patent that is de-
17	scribed in section $3(n)(1)$ of this Act".
18	(B) Repeal of sunset.—Section 18(a)
19	of the Leahy-Smith America Invents Act (35
20	U.S.C. 321 note) is amended by striking para-
21	graph (3).
22	(C) Effective date.—The amendments
23	made by subparagraphs (A) and (B) shall take
24	effect on the date of the enactment of this Act.

1	(2) Definition; Limitation; Clarifica-
2	TION.—
3	(A) Definition.—For purposes of section
4	18(d) of the Leahy-Smith America Invents Act,
5	the words "used in the practice, administration,
6	or management of a financial product or serv-
7	ice" shall be construed consistently with the in-
8	stitution decision of the Patent Trial and Ap-
9	peal Board of the United States Patent and
10	Trademark Office in SAP America, Inc. v.
11	Versata Dev. Group, Inc., CBM2012-00001,
12	Paper 36 (January 9, 2013).
13	(B) Limitation to business-method
14	CLAIMS.—Section 18(a)(1)(E) of the Leahy-
15	Smith America Invents Act is amended by
16	striking "only for a patent that is a covered
17	business method patent" and inserting "only
18	for those claims in a patent that qualify the
19	patent as a covered business method patent".
20	(C) CLARIFICATION OF TECHNOLOGICAL-
21	INVENTION LIMITATION.—Section 18(d)(1) of
22	the Leahy-Smith America Invents Act is
23	amended by inserting ", such as inventions in
24	the natural sciences or computer operations.
25	Claimed subject matter's recitation of a techno-

1	logical feature does not qualify a patent as a
2	patent for a technological invention if it is read-
3	ily apparent that the recited feature is antici-
4	pated by or obvious in light of the prior art"
5	after "does not include patents for technological
6	inventions".
7	(D) Scope of Prior Art.—Section
8	18(a)(1)(C)(i) of the Leahy-Smith America In-
9	vents Act is amended by striking "section
10	102(a)" and inserting "subsection (a), (d), or
11	(e) of section 102".
12	(E) Effective date.—Subparagraph (A)
13	and the amendments made by subparagraphs
14	(B), (C), and (D) shall take effect on the date
15	of the enactment of this Act and shall apply in
16	any proceeding pending on, or filed on or after,
17	such date of enactment.
18	(f) Clarification of Limits on Patent Term Ad-
19	JUSTMENT.—
20	(1) Amendments.—Section 154(b)(1)(B) of
21	title 35, United States Code, is amended—
22	(A) in the matter preceding clause (i), by
23	striking "not including—" and inserting "the
24	term of the patent shall be extended 1 day for

1	each day after the end of that 3-year period
2	until the patent is issued, not including—";
3	(B) in clause (i), by striking "consumed by
4	continued examination of the application re-
5	quested by the applicant" and inserting "con-
6	sumed after continued examination of the appli-
7	cation is requested by the applicant";
8	(C) in clause (iii), by striking the comma
9	at the end and inserting a period; and
10	(D) by striking the matter following clause
11	(iii).
12	(2) Effective date.—The amendments made
13	by this subsection shall apply to any patent applica-
14	tion or patent that is pending on, or filed on or
15	after, the date of the enactment of this Act.
16	(g) Clarification of Jurisdiction.—Congress
17	finds that the Federal interest in preventing inconsistent
18	final judicial determinations as to the legal force or effect
19	of the claims in a patent presents a substantial Federal
20	issue that is important to the Federal system as a whole.
21	(h) TECHNICAL CORRECTIONS.—
22	(1) Novelty.—
23	(A) AMENDMENT.—Section 102(b)(1)(A)
24	of title 35, United States Code, is amended by
25	striking "the inventor or joint inventor or by

1	another" and inserting "the inventor or a joint
2	inventor or another".
3	(B) Effective date.—The amendment
4	made by subparagraph (A) shall be effective as
5	if included in the amendment made by section
6	3(b)(1) of the Leahy-Smith America Invents
7	Act (Public Law No. 112–29).
8	(2) Assignee filers.—
9	(A) Benefit of earlier filing date;
10	RIGHT OF PRIORITY.—Section 119(e)(1) of title
11	35, United States Code, is amended, in the first
12	sentence, by striking "by an inventor or inven-
13	tors named" and inserting "that names the in-
14	ventor or a joint inventor".
15	(B) Benefit of earlier filing date in
16	THE UNITED STATES.—Section 120 of title 35,
17	United States Code, is amended, in the first
18	sentence, by striking "an inventor or joint in-
19	ventor" and inserting "the inventor or a joint
20	inventor".
21	(C) Derived Patents.—Section 291(b)
22	of title 35, United States Code, is amended by
23	striking "or joint inventor" and inserting "or a
24	joint inventor".

1	(D) Effective date.—The amendments
2	made by this paragraph shall take effect on the
3	date of the enactment of this Act and shall
4	apply to any patent application, and any patent
5	issuing from such application, that is filed on or
6	after September 16, 2012.
7	(3) Specification.—Notwithstanding section
8	4(e) of the Leahy-Smith America Invents Act (Pub-
9	lic Law 112–29; 125 Stat. 297), the amendments
10	made by subsections (c) and (d) of section 4 of such
11	Act shall apply to any patent application or patent,
12	and in any proceeding or matter, that is pending on,
13	or filed on or after, the date of the enactment of this
14	Act.
15	(4) Patent owner response.—
16	(A) CONDUCT OF INTER PARTES RE-
17	VIEW.—Paragraph (8) of section 316(a) of title
18	35, United States Code, is amended by striking
19	"the petition under section 313" and inserting
20	"the petition under section 311".
21	(B) CONDUCT OF POST-GRANT REVIEW.—
22	Paragraph (8) of section 326(a) of title 35,
23	United States Code, is amended by striking
24	"the petition under section 323" and inserting
25	"the petition under section 321".

1	(C) Effective date.—The amendments
2	made by this paragraph shall take effect on the
3	date of the enactment of this Act.
4	(5) International applications.—
5	(A) Amendments.—Section 202(b) of the
6	Patent Law Treaties Implementation Act of
7	2012 (Public Law 112–211; 126 Stat. 1536) is
8	amended—
9	(i) by striking paragraph (7); and
10	(ii) by redesignating paragraphs (8)
11	and (9) as paragraphs (7) and (8).
12	(B) Effective date.—The amendments
13	made by subparagraph (A) shall be effective as
14	if included in title II of the Patent Law Trea-
15	ties Implementation Act of 2012 (Public Law
16	No. 112–21).
17	SEC. 10. EFFECTIVE DATE.
18	Except as otherwise provided in this Act, the provi-
19	sions of this Act shall take effect on the date of the enact-
20	ment of this Act, and shall apply to any patent issued,
21	or any action filed, on or after that date.