

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2795  
OFFERED BY MR. SMITH OF TEXAS**

Strike all after the enacting clause and insert the following:

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

2 (a) SHORT TITLE.—This Act may be cited as  
3 the“Patent Reform Act of 2005”.

4 (b) TABLE OF CONTENTS.—The table of contents of  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Reference to title 35, United States Code.
- Sec. 3. Right of the first inventor to file.
- Sec. 4. Right to a patent.
- Sec. 5. Duty of candor.
- Sec. 6. Right of the inventor to obtain damages.
- Sec. 7. Post-grant procedures and other quality enhancements.
- Sec. 8. Submissions by third parties.
- Sec. 9. Venue.
- Sec. 10. Applicability; transitional provisions.

**6 SEC. 2. REFERENCE TO TITLE 35, UNITED STATES CODE.**

7 Whenever in this Act a section or other provision is  
8 amended or repealed, that amendment or repeal shall be  
9 considered to be made to that section or other provision  
10 of title 35, United States Code.

**11 SEC. 3. RIGHT OF THE FIRST INVENTOR TO FILE.**

12 (a) DEFINITIONS.—Section 100 is amended by add-  
13 ing at the end the following:



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

4 “(g) The terms ‘joint inventor’ and ‘coinventor’ mean  
5 any one of the individuals who invented or discovered the  
6 subject matter of a joint invention.

7 “(h) The ‘effective filing date’ of a claimed invention  
8 is—

9 “(1) the filing date of the patent or the applica-  
10 tion for patent containing the claim to the invention;  
11 or

12 “(2) if the patent or application for patent is  
13 entitled to a right of priority of any other applica-  
14 tion under section 119, 365(a), or 365(b) or to the  
15 benefit of an earlier filing date in the United States  
16 under section 120, 121, or 365(c), the filing date of  
17 the earliest such application in which the claimed in-  
18 vention is disclosed in the manner provided by the  
19 first paragraph of section 112 of this title.

20 “(i) The term ‘claimed invention’ means the subject  
21 matter defined by a claim in a patent or an application  
22 for a patent.”.

23 (b) CONDITIONS FOR PATENTABILITY.—

24 (1) IN GENERAL.—Section 102 is amended to  
25 read as follows:



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

2 “(a) NOVELTY; PRIOR ART.—A patent for a claimed  
3 invention may not be obtained if—

4 “(1) the claimed invention was patented, de-  
5 scribed in a printed publication, or otherwise pub-  
6 licly known—

7 “(A) more than one year before the effec-  
8 tive filing date of the claimed invention; or

9 “(B) one year or less before the effective  
10 filing date of the claimed invention, if the in-  
11 vention was patented or described in a printed  
12 publication or otherwise publicly known before  
13 the invention thereof by the applicant for a pat-  
14 ent; or

15 “(2) the claimed invention was described in a  
16 patent issued under section 151, or in an application  
17 for patent published or deemed published under sec-  
18 tion 122(b), in which the patent or application, as  
19 the case may be, names another inventor and was  
20 effectively filed before the effective filing date of the  
21 claimed invention.

22 “(b) LIMITATION ON PRIOR ART.—

23 “(1) DERIVATION AND COMMON ASSIGNMENT  
24 EXCEPTIONS.—Subject matter that would otherwise  
25 qualify as prior art only under subsection (a)(2)  
26 shall not be prior art to a claimed invention if—



1           “(A) the subject matter was obtained di-  
2           rectly or indirectly from the inventor or a joint  
3           inventor; or

4           “(B) the subject matter and the claimed  
5           invention were, not later than the effective fil-  
6           ing date of the claimed invention, owned by the  
7           same person or subject to an obligation of as-  
8           signment to the same person.

9           “(2) REASONABLE AND EFFECTIVE ACCESSI-  
10          BILITY REQUIREMENT.—

11           “(A) IN GENERAL.—Subject matter is pub-  
12           licly known for the purposes of subsection  
13           (a)(1) only when—

14           “(i) it becomes reasonably and effec-  
15           tively accessible through its use, sale, or  
16           disclosure by other means; or

17           “(ii) it is embodied in or otherwise in-  
18           herent in subject matter that has become  
19           reasonably and effectively accessible.

20           “(B) REASONABLE AND EFFECTIVE AC-  
21          CESSIBILITY.—For purposes of subparagraph  
22          (A)—

23           “(i) subject matter is reasonably ac-  
24           cessible if persons of ordinary skill in the  
25           art to which the subject matter pertains



1 are able to gain access to the subject mat-  
2 ter by without resort to undue efforts; and

3 “(ii) subject matter is effectively ac-  
4 cessible if persons of ordinary skill in the  
5 art to which the subject matter pertains  
6 are able to comprehend the content of the  
7 subject matter without resort to undue ef-  
8 forts.

9 “(3) PATENTS AND PUBLISHED APPLICATIONS  
10 EFFECTIVELY FILED.—A patent or application for  
11 patent is effectively filed under subsection (a)(2)  
12 with respect to any subject matter described in the  
13 patent or application—

14 “(A) as of the filing date of the patent or  
15 the application for patent; or

16 “(B) if the patent or application for patent  
17 is entitled to claim a right of priority under sec-  
18 tion 119, 365(a), or 365(b) or to claim the ben-  
19 efit of an earlier filing date under section 120,  
20 121, or 365(c), based upon one or more prior  
21 filed applications for patent, as of the filing  
22 date of the earliest such application that de-  
23 scribes the subject matter.”.



1           (2) CONFORMING AMENDMENT.—The item re-  
2 relating to section 102 in the table of sections for  
3 chapter 10 is amended to read as follows:

“102. Conditions for patentability; novelty.”.

4           (c) CONDITIONS FOR PATENTABILITY; NON-OBVIOUS  
5 SUBJECT MATTER.—Section 103 is amended—

6           (1) in subsection (a)—

7                 (A) by striking “A patent may not be ob-  
8 tained through the invention” and inserting “A  
9 patent for a claimed invention may not be ob-  
10 tained through the claimed invention”;

11                 (B) by striking “at the time the invention  
12 was made” and inserting “before the effective  
13 filing date of the claimed invention”; and

14                 (C) by striking “sought to be patented”  
15 and inserting “of the claimed invention”;

16           (2) by striking subsection (b) and redesignating  
17 subsection (c) as subsection (b);

18           (3) by amending subsection (b)(1), as so redesi-  
19 gnated, to read as follows:

20           “(b)(1) Subject matter developed by another person,  
21 which is disqualified as prior art under section 102(b),  
22 shall not preclude patentability under this section if the  
23 subject matter and the claimed invention were owned by  
24 the same person, or subject to an obligation of assignment



1 to the same person, on or before the effective filing date  
2 of the claimed invention.”; and

3 (4) in subsection (b)(2)(A), as so redesignated,  
4 by striking “the date the claimed invention was  
5 made” and inserting “the effective filing date of the  
6 claimed invention”.

7 (d) REPEAL OF REQUIREMENTS FOR INVENTIONS  
8 MADE ABROAD.—Section 104, and the item relating to  
9 that section in the table of sections for chapter 10, are  
10 repealed.

11 (e) REPEAL OF STATUTORY INVENTION REGISTRA-  
12 TION.—

13 (1) IN GENERAL.—Section 157, and the item  
14 relating to that section in the table of sections for  
15 chapter 14, are repealed.

16 (2) REMOVAL OF CROSS REFERENCES.—Section  
17 111(b)(8) is amended by striking “sections 115,  
18 131, 135, and 157” and inserting “sections 131 and  
19 135”.

20 (f) EARLIER FILING DATE FOR INVENTOR AND  
21 JOINT INVENTOR.—Section 120 is amended by striking  
22 “which is filed by an inventor or inventors named” and  
23 inserting “which names an inventor or joint inventor”.

24 (g) CONFORMING AMENDMENTS.—



1           (1) RIGHT OF PRIORITY.—Section 172 is  
2 amended by striking “and the time specified in sec-  
3 tion 102(d)”.

4           (2) LIMITATION ON REMEDIES.—Section  
5 287(c)(4) is amended by striking “the earliest effec-  
6 tive filing date of which is prior to” and inserting  
7 “which has an effective filing date before”.

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

12           (4) PUBLICATION OF INTERNATIONAL APPLICA-  
13 TION: EFFECT.—Section 374 is amended by striking  
14 “sections 102(e) and 154(d)” and inserting “section  
15 154(d)”.

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

20           (6) LIMIT ON RIGHT OF PRIORITY.—Section  
21 119(a) is amended by striking “; but no patent shall  
22 be granted” and all that follows through “one year  
23 prior to such filing”.

24           (7) INVENTIONS MADE WITH FEDERAL ASSIST-  
25 ANCE.—Section 202(c) is amended—





1 (A) in paragraph (2)—

2 (i) by striking “publication, on sale,  
3 or public use,” and all that follows through  
4 “obtained in the United States” and in-  
5 sserting “the 1-year period referred to in  
6 section 102(a) would end before the end of  
7 such 2-year period”; and

8 (ii) by striking “the statutory” and  
9 inserting “the 1-year”; and

10 (B) in paragraph (3), by striking “any  
11 statutory bar date that may occur under this  
12 title due to publication, on sale, or public use”  
13 and inserting “the expiration of the 1-year pe-  
14 riod referred to in section 102(a)”.

15 (h) REPEAL OF INTERFERING PATENT REMEDIES.—  
16 Section 291, and the item relating to that section in the  
17 table of sections for chapter 29, are repealed.

18 (i) INVENTOR’S RIGHTS CONTESTS.—Section 135(a)  
19 is amended to read as follows:

20 “(a) DISPUTE OVER RIGHT TO PATENT.—

21 “(1) INSTITUTION OF INVENTOR’S RIGHTS CON-  
22 TEST.—Whenever patents or applications for patent  
23 naming different individuals as the inventor are  
24 deemed by the Director to interfere because of a dis-  
25 pute over the right to patent under section 101, the



1 Director shall institute an inventor's rights contest  
2 for the purpose of determining the right to patent.

3 “(2) DETERMINATION BY BOARD OF PATENT  
4 APPEALS.—The Board of Patent Appeals—

5 “(A) shall determine the question of the  
6 right to patent;

7 “(B) in appropriate circumstances, may  
8 correct the naming of the inventor in any appli-  
9 cation or patent at issue; and

10 “(C) shall issue a final decision on the  
11 right to patent.

12 “(3) EFFECT OF FINAL DECISION.—The final  
13 decision of the Board of Patent Appeals under para-  
14 graph (2), if adverse to the claim of an applicant,  
15 shall constitute the final refusal by the Patent and  
16 Trademark Office on the claims involved. The Direc-  
17 tor may issue a patent to an applicant who is ad-  
18 judged to have the right to patent. The final decision  
19 of the Board, if adverse to a patentee, shall, if no  
20 appeal or other review of the decision has been or  
21 can be taken or had, constitute cancellation of the  
22 claims involved in the patent, and notice of such  
23 cancellation shall be endorsed on copies of the patent  
24 distributed after such cancellation by the Patent and  
25 Trademark Office.”.



1 (j) BOARD OF PATENT APPEALS.—

2 (1) ELIMINATION OF REFERENCES TO INTER-  
3 FERENCES.—(A) Sections 6, 41, 134, 141, 145,  
4 146, 154, 305, and 314 are each amended by strik-  
5 ing “Board of Patent Appeals and Interferences”  
6 each place it appears and inserting “Board of Pat-  
7 ent Appeals”.

8 (B) Sections 135, 141, 146, and 154 are each  
9 amended by striking “interference” each place it ap-  
10 pears and inserting “inventor’s rights contest”.

11 (C) The section heading for section 6 is amend-  
12 ed to read as follows:

13 **“§ 6. Board of Patent Appeals”.**

14 (D) The section heading for section 134 is  
15 amended to read as follows:

16 **“§ 134. Appeal to the Board of Patent Appeals”.**

17 (E) The section heading for section 135 is  
18 amended to read as follows:

19 **“§ 135. Inventor’s rights contests”.**

20 (F) The section heading for section 146 is  
21 amended to read as follows:

22 **“§ 146. Civil action in case of inventor’s rights con-  
23 test”.**

24 (G) Section 154(b)(1)(C) is amended by strik-  
25 ing “interferences” and inserting “inventor’s rights



1 contests”.(H) The item relating to section 6 in the  
2 table of sections for chapter 1 is amended to read  
3 as follows:

“6. Board of Patent Appeals.”.

4 (I) The items relating to sections 134 and 135  
5 in the table of sections for chapter 12 are amended  
6 to read as follows:

“134. Appeal to the Board of Patent Appeals.  
“135. Inventor’s rights contests.”.

7 (J) The item relating to section 146 in the  
8 table of sections for chapter 13 is amended to read  
9 as follows:

“146. Civil action in case of inventor’s rights contest.”.

10 (2) TECHNICAL AND CONFORMING AMEND-  
11 MENTS.—Section 135(c) is amended—

12 (A) by striking “(c) Any” and inserting  
13 “(c)(1) Any”;

14 (B) in the second paragraph, by striking  
15 “The Director” and inserting “(2) The Direc-  
16 tor”; and

17 (C) in the third paragraph, by striking  
18 “Any discretionary” and inserting “(3) Any dis-  
19 cretionary”.

20 **SEC. 4. RIGHT TO A PATENT.**

21 (a) RIGHT TO PATENT.—



1 (1) IN GENERAL.—Section 101 is amended to  
2 read as follows:

3 **“§ 101. Right to patent; subject matter eligible for**  
4 **patenting**

5 “The inventor of any new and useful process, ma-  
6 chine, manufacture, or composition of matter, or any new  
7 and useful improvement thereof, has the right to apply  
8 for and to obtain a patent therefor, subject to the condi-  
9 tions and requirements of this title.”.

10 (2) CONFORMING AMENDMENT.—The item re-  
11 lating to section 101 in the table of sections for  
12 chapter 10 is amended to read as follows:

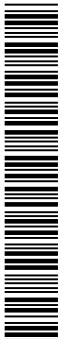
“101. Right to patent; subject matter eligible for patenting.”.

13 (b) INVENTOR’S OATH OR DECLARATION.—

14 (1) IN GENERAL.—Section 115 is amended to  
15 read as follows:

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

17 “(a) NAMING THE INVENTOR; INVENTOR’S OATH OR  
18 DECLARATION.—An application for patent that is filed  
19 under section 111(a), that commences the national stage  
20 under section 363, or that is filed by an inventor for an  
21 invention for which an application has previously been  
22 filed under this title by that inventor shall include, or be  
23 amended to include, the name of the inventor of any  
24 claimed invention in the application. Except as otherwise  
25 provided in this section, an individual who is the inventor



1 or a joint inventor of a claimed invention in an application  
2 for patent shall execute an oath or declaration in connec-  
3 tion with the application.

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

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

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

11 “(c) ADDITIONAL REQUIREMENTS.—The Director  
12 may specify additional information relating to the inventor  
13 and the invention that must be included in an oath or dec-  
14 laration under subsection (a).

15 “(d) SUBSTITUTE STATEMENT.—

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

22 “(2) PERMITTED CIRCUMSTANCES.—A sub-  
23 stitute statement under paragraph (1) shall be per-  
24 mitted with respect to any individual who, at the  
25 time the substitute statement is filed—



1 “(A) is deceased;

2 “(B) is under legal incapacity;

3 “(C) is under an obligation to assign the  
4 invention but has refused to make the oath or  
5 declaration required under subsection (a); or

6 “(D) cannot be found or reached after dili-  
7 gent effort.

8 “(3) CONTENTS.—A substitute statement under  
9 this subsection shall—

10 “(A) identify the individual with respect to  
11 whom the statement applies;

12 “(B) set forth the circumstances rep-  
13 resenting the permitted basis for the filing of  
14 the substitute statement in lieu of the oath or  
15 declaration under subsection (a); and

16 “(C) contain any additional information,  
17 including any showing, required by the Direc-  
18 tor.

19 “(e) MAKING REQUIRED STATEMENTS IN ASSIGN-  
20 MENT OF RECORD.—An individual who is under an obliga-  
21 tion of assignment of an application for patent may in-  
22 clude the required statements under subsections (b) and  
23 (c) in the assignment executed by the individual, in lieu  
24 of filing such statements separately.



1           “(f) TIME FOR FILING.—A notice of allowance under  
2 section 151 may be provided to an applicant for patent  
3 only if the applicant for patent has filed each required  
4 oath or declaration under subsection (a) or, in lieu thereof,  
5 has filed a substitute statement under subsection (d) or  
6 recorded an assignment meeting the requirements of sub-  
7 section (e).

8           “(g) EARLIER-FILED APPLICATION CONTAINING RE-  
9 QUIRED STATEMENTS OR SUBSTITUTE STATEMENT.—  
10 The requirements under this section shall not apply to an  
11 individual with respect to an application for patent in  
12 which the individual is named as the inventor or a joint  
13 inventor and that claims the benefit under section 120 or  
14 365(e) of the filing of an earlier-filed application, if—

15           “(1) an oath or declaration meeting the require-  
16 ments of subsection (a) was executed by the indi-  
17 vidual and was filed in connection with the earlier-  
18 filed application;

19           “(2) a substitute statement meeting the re-  
20 quirements of subsection (d) was filed in the earlier-  
21 filed application with respect to the individual; or

22           “(3) an assignment meeting the requirements  
23 of subsection (e) was executed with respect to the  
24 earlier-filed application by the individual and was re-





1 corded in connection with the earlier-filed applica-  
2 tion.

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

5 “(1) IN GENERAL.—A statement made under  
6 this section may be withdrawn, replaced, or other-  
7 wise corrected at any time. If a change is made in  
8 the naming of the inventor requiring the filing of  
9 one or more additional statements under this sec-  
10 tion, the Director shall establish regulations under  
11 which such additional statements may be filed.

12 “(2) SUPPLEMENTAL STATEMENTS NOT RE-  
13 QUIRED.—If an individual has executed an oath or  
14 declaration under subsection (a) or an assignment  
15 meeting the requirements of subsection (e) with re-  
16 spect to an application for patent, no supplemental  
17 oath or declaration or further substitute statement  
18 shall thereafter be required in connection with the  
19 application for patent or any patent issuing thereon.

20 “(3) SAVINGS CLAUSE.—No patent shall be in-  
21 valid or unenforceable based upon the failure to  
22 comply with a requirement under this section if the  
23 failure is remedied as provided under paragraph (1).  
24 ”.



1           (2) RELATIONSHIP TO DIVISIONAL APPLICA-  
2           TIONS.—Section 121 is amended by striking “If a  
3           divisional application” and all that follows through  
4           “inventor.”.

5           (3) CONFORMING AMENDMENT.—The item re-  
6           lating to section 115 in the table of sections for  
7           chapter 10 is amended to read as follows:

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

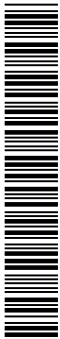
8           (c) FILING BY OTHER THAN INVENTOR.—Section  
9           118 is amended to read as follows:

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

11           “A person to whom the inventor has assigned or is  
12           under an obligation to assign the invention may make an  
13           application for patent. A person who otherwise shows suf-  
14           ficient proprietary interest in the matter may make an ap-  
15           plication for patent on behalf of and as agent for the in-  
16           ventor on proof of the pertinent facts and a showing that  
17           such action is appropriate to preserve the rights of the  
18           parties. If the Director grants a patent on an application  
19           filed under this section by a person other than the inven-  
20           tor, the patent shall be granted to the real party in inter-  
21           est and upon such notice to the inventor as the Director  
22           considers to be sufficient.”.

23           (d) SPECIFICATION.—Section 112 is amended—

24           (1) in the first paragraph—



1 (A) by striking “The specification” and in-  
2 serting “(a) IN GENERAL.—The specification”;  
3 and

4 (B) by striking “, and shall set forth the  
5 best mode contemplated by the inventor of car-  
6 rying out his invention”;

7 (2) in the second paragraph—

8 (A) by striking “The specifications” and  
9 inserting “(b) CONCLUSION.—The specifica-  
10 tion”; and

11 (B) by striking “applicant regards as his  
12 invention” and inserting “inventor or a joint in-  
13 ventor regards as the invention”;

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

16 (4) in the fourth paragraph, by striking “Sub-  
17 ject to the following paragraph,” and inserting “(d)  
18 REFERENCE IN DEPENDENT FORMS.—Subject to  
19 subsection (e),”;

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

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



1 **SEC. 5. DUTY OF CANDOR.**

2 (a) IN GENERAL.—Chapter 12 of title 35, United  
3 States Code, is amended by adding at the end the fol-  
4 lowing:

5 **“§ 136. Duty of candor: patents and applications for**  
6 **patent**

7 “(a) DUTY.—The Director shall by regulation impose  
8 a duty of candor and good faith on individuals associated  
9 with the filing and prosecution of an application for patent  
10 and on individuals assisting a patent owner in proceedings  
11 before the Office involving a patent. The duty shall require  
12 each such individual to timely disclose information known  
13 to that individual to be material to any issue before the  
14 Office in connection with the application or patent, and  
15 to not materially misrepresent information. The duty may  
16 further address the types of information for which disclo-  
17 sure is required and the standards upon which a finding  
18 of misrepresentation or concealment on the part of such  
19 individuals could be based. Any allegation of any type of  
20 violation of the duty of candor and good faith under this  
21 subsection shall be governed exclusively by this chapter.

22 “(b) MISCONDUCT DEFINED.—An individual has en-  
23 gaged in misconduct under this section only if, by clear  
24 and convincing evidence, findings are made that—



1           “(1) the individual knowingly failed to disclose  
2 information or knowingly misrepresented informa-  
3 tion;

4           “(2) the information not disclosed was material  
5 or, in the case of a misrepresentation, the mispre-  
6 sentation was material;

7           “(3) the individual had knowledge of the mate-  
8 riality of the information not disclosed or, in the  
9 case of a misrepresentation, had knowledge of the  
10 materiality of the misrepresentation; and

11           “(4) the individual’s intent was to deceive or  
12 mislead.

13           “(c) LIMITS ON THE ADJUDICATION OF MISCONDUCT  
14 ISSUES.—

15           “(1) FORA PRECLUDED FROM MISCONDUCT DE-  
16 TERMINATIONS AND ADJUDICATIONS.—No court or  
17 Federal department or agency other than the Office,  
18 and no other Federal or State governmental entity,  
19 may investigate or make a determination or an adju-  
20 dication with respect to an alleged violation of the  
21 duty of candor and good faith under subsection (a)  
22 or with respect to an alleged fraud, inequitable con-  
23 duct, or other misconduct in any proceeding before  
24 the Office involving a patent or in connection with



1 the filing or examination of an application for pat-  
2 ent, except as expressly permitted in this section.

3 “(2) AUTHORITY OF DIRECTOR.—Nothing in  
4 this subsection shall limit the authority of the Direc-  
5 tor to enforce regulations concerning pending appli-  
6 cations for patent or proceedings before the Office  
7 involving a patent, including regulations relating to  
8 misconduct.

9 “(3) LIMITATION ON DEFENSES TO ENFORCE-  
10 MENT OF PATENT.— No defense of invalidity of a  
11 patent or other defense to the enforcement of a pat-  
12 ent may be based in whole or in part upon a viola-  
13 tion of the duty of candor and good faith under sub-  
14 section (a) or on any fraud, inequitable conduct, or  
15 other misconduct, except as expressly permitted in  
16 this section.

17 “(4) REFERRAL BY COURT.—In any matter be-  
18 fore a court involving an issue of validity or infringe-  
19 ment of a patent, if the court determines that an  
20 issue of possible misconduct under subsection (b) ex-  
21 ists, the court shall refer the matter to the Office for  
22 investigation under this section. If such referral is  
23 made, the matter shall be resolved as provided in  
24 this section.

25 “(d) UNENFORCEABILITY ACTION.—



1           “(1) IN GENERAL.—A patent may be held un-  
2 enforceable if a court determines, pursuant to a  
3 pleading permitted under paragraph (2), that—

4           “(A) misconduct under subsection (b) has  
5 occurred and constitutes fraud by reason of re-  
6 liance by the Office on the misconduct which  
7 has resulted in the issuance of, or a certificate  
8 affirming patentability of, one or more invalid  
9 claims in a patent; and

10           “(B) the fraud is attributable to the patent  
11 owner.

12           “(2) REQUIRED MOTION TO PLEAD UNEN-  
13 FORCEABILITY.—The defense of unenforceability de-  
14 scribed in paragraph (1) may be pled in an action  
15 before a court only upon a motion to amend the  
16 pleadings in the action. The court shall not grant  
17 the motion unless—

18           “(A) the validity of one or more claims in  
19 the patent is at issue in the action;

20           “(B) the court has previously entered a  
21 judgment in the action that a claim in the pat-  
22 ent is invalid;

23           “(C) the motion to amend the pleadings is  
24 brought by a party to the action adverse to the  
25 patent owner within 3 months after a judgment



1 is entered by the court invalidating the claim;  
2 and

3 “(D) the motion sets out with particularity  
4 a substantial basis for findings that—

5 “(i) because of the reliance of the Of-  
6 fice on the misconduct, fraud took place in  
7 a proceeding before the Office involving the  
8 patent or in connection with the filing or  
9 examination of the application for patent,  
10 and as a result at least 1 claim in the pat-  
11 ent invalidated in the action was issued as  
12 a result of the reliance on the misconduct;  
13 and

14 “(ii) the alleged fraud is attributable  
15 to the patent owner.

16 “(3) REQUIRED FINDINGS FOR UNENFORCE-  
17 ABILITY.—

18 “(A) LIABILITY OF PATENT OWNER.—In  
19 determining the unenforceability of a patent, no  
20 misconduct under subsection (b) by an indi-  
21 vidual registered to practice before the Office  
22 and acting in a representative capacity before  
23 the Office in a proceeding before the Office in-  
24 volving the patent or in connection with the fil-  
25 ing or examination of the application for patent





1 shall be attributable to the patent owner unless  
2 the patent owner, or another individual who—

3 “(i) is subject to the duty of candor  
4 and good faith with respect to the patent,

5 “(ii) is not registered to practice be-  
6 fore the Office, and

7 “(iii) was acting on the patent owner’s  
8 behalf,

9 is determined to have violated the duty of can-  
10 dor and good faith.

11 “(B) RELIANCE OF THE PATENT EXAM-  
12 INER.—No misconduct may be determined to  
13 constitute fraud sufficient to support a finding  
14 that a patent is unenforceable without clear and  
15 convincing evidence of reliance of the Office on  
16 the alleged misconduct, resulting in the  
17 issuance of a claim invalidated by the court be-  
18 cause a competent patent examiner either—

19 “(i) would not have issued the invali-  
20 dated claim, acting reasonably, in the ab-  
21 sence of the misconduct; or

22 “(ii) based upon the prosecution his-  
23 tory as a whole objectively considered,  
24 would have done so based upon in whole or  
25 in part on account of the misconduct.



1           “(e) REFERRAL TO OFFICE.—The Director shall es-  
2     tablish a special office to receive referrals made under sub-  
3     section (c)(4). The special office, following a referral and  
4     after such investigation of the matter that the Director  
5     determines is appropriate, shall report to the Director  
6     whether probable cause exists to believe that an individual  
7     subject to the duty under subsection (a) may have engaged  
8     in misconduct under subsection (b). If such probable cause  
9     exists, the Director shall—

10           “(1) take such action, if any, that the Director  
11     determines is appropriate under section 32; and

12           “(2) if a violation of section 1001(a) of title 18  
13     may have occurred, refer the matter to the Attorney  
14     General for appropriate action.

15           “(f) OTHER ACTIONS NOT SUBJECT TO PREEMP-  
16     TION.—

17           “(1) IN GENERAL.—Nothing in this section  
18     shall in any manner operate to—

19           “(A) prevent or otherwise obstruct a crimi-  
20     nal investigation, or an investigation by the At-  
21     torney General of any provision of the antitrust  
22     laws, or preempt any enforcement action result-  
23     ing therefrom;

24           “(B) limit the ability of the courts of any  
25     State or the District of Columbia to investigate



1 and make determinations with respect to issues  
2 of attorney malpractice and impose sanctions  
3 on an attorney for malpractice; or

4 “(C) limit the ability of any entity before  
5 which an individual is registered or otherwise  
6 entitled to practice a profession to investigate  
7 and sanction such individual based upon profes-  
8 sional misconduct.

9 “(2) DEFINITION.—For purposes of paragraph  
10 (1), the term ‘antitrust laws’ has the meaning given  
11 that term in the first section of the Clayton Act and  
12 includes section 5 of the Federal Trade Commission  
13 Act to the extent that section relates to unfair meth-  
14 ods of competition.

15 “(g) ADDITIONAL REMEDIES AVAILABLE BASED  
16 UPON PRIOR MISCONDUCT ADJUDICATION.—

17 “(1) FURTHER REMEDIES.—If a final, non-  
18 appealable adjudication of misconduct based upon a  
19 pleading or an action permitted under this section  
20 has been made, it may be used as a basis for pursuit  
21 of further remedies under any Federal or State law,  
22 including common law.

23 “(2) EXCEPTION.—Nothing in paragraph (1)  
24 shall authorize any pleading or holding of unenforce-



1 ability of a patent that is not expressly permitted  
2 under subsection (d).

3 **“§ 137. Duty of candor: parties adverse to a patent or**  
4 **application**

5 “(a) DUTY.—The Director shall prescribe by regula-  
6 tion a duty of candor and good faith applicable to individ-  
7 uals who are parties adverse to a patent or application  
8 for patent in contested cases before the Office. The duty  
9 shall apply to individuals associated with such a pro-  
10 ceeding on behalf of a party adverse to the patent or appli-  
11 cation. Each such individual shall timely disclose informa-  
12 tion known to that individual to be material to issues  
13 raised or responded to by the adverse party on whose be-  
14 half the individual is involved and shall not materially mis-  
15 represent information.

16 “(b) MISCONDUCT.—Misconduct under this section  
17 shall be defined with respect to individuals described in  
18 subsection (a) in the same manner as that provided in sec-  
19 tion 136(b) with respect to individuals under that section.  
20 The Director may conduct an investigation of possible  
21 misconduct by an individual based upon a violation of the  
22 duty described in subsection (a) in the manner provided  
23 in section 136(e).”.



1 (b) TABLE OF SECTIONS.—The table of sections for  
 2 chapter 12 is amended by adding at the end the following  
 3 new items:

“136. Duty of candor: patents and applications for patent.  
 “137. Duty of candor: parties adverse to a patent or application.”.

4 (c) REMOVAL OF DECEPTIVE INTENT RESTRIC-  
 5 TION.—

6 (1) INVENTOR.—

7 (A) IN GENERAL.—The third paragraph of  
 8 section 116 is amended—

9 (i) by striking “Whenever” and insert-  
 10 ing “(c) CORRECTION OF ERRORS IN AP-  
 11 PPLICATION.—Whenever”; and

12 (ii) by striking “, and such error  
 13 arose without any deceptive intention on  
 14 his part”.

15 (B) CORRECTION OF NAMED INVENTOR.—  
 16 Section 256 is amended—

17 (i) in the first paragraph—

18 (I) by striking “Whenever” and  
 19 inserting “(a) CORRECTION.—When-  
 20 ever”; and

21 (II) by striking “and such error  
 22 arose without any deceptive intention  
 23 on his part”; and



1 (ii) in the second paragraph, by strik-  
2 ing “The error” and inserting “(b) PAT-  
3 ENT VALID IF ERROR CORRECTED.—The  
4 error”.

5 (2) FILING.—

6 (A) FILING OF APPLICATION IN FOREIGN  
7 COUNTRY.—The first paragraph of section 184  
8 is amended—

9 (i) by striking “Except when” and in-  
10 sserting “(a) FILING IN FOREIGN COUN-  
11 TRY.—Except when”; and

12 (ii) by striking “and without deceptive  
13 intent”.

14 (B) PATENT BARRED FOR FILING WITH-  
15 OUT LICENSE.—Section 185 is amended by  
16 striking “and without deceptive intent”.

17 (3) REISSUE OF DEFECTIVE PATENTS.—The  
18 first paragraph of section 251 is amended—

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

21 (B) by striking “, through error without  
22 any deceptive intention,”.

23 (4) DISCLAIMER.—The first paragraph of sec-  
24 tion 253 is amended—



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

3 (B) by striking “, without any deceptive  
4 intention,”.

5 (5) ACTION FOR INFRINGEMENT.—Section 288  
6 is amended by striking “, without deceptive inten-  
7 tion,”.

8 (d) JURISDICTION OVER CLAIMS.—Section 281 is  
9 amended by adding at the end the following: “The court  
10 shall have jurisdiction to determine the validity of any  
11 claim alleged to have been infringed, even if the allegation  
12 of infringement is later withdrawn with respect to the  
13 claim.”.

14 (e) MISCONDUCT PROCEEDINGS.—Section 32 is  
15 amended by adding at the end the following: “A suit or  
16 proceeding under this section may be brought if  
17 commenced—

18 “(1) during the 5-year period beginning on the  
19 date of the conduct at issue; or

20 “(2) if the conduct at issue relates to a patent  
21 or to an application that issued as a patent, before  
22 the date that is the later of—

23 “(A) the end of the statutory term of the  
24 patent; or



1           “(B) the end of the 2-year period begin-  
2           ning on the date on which the first judgment is  
3           entered that the conduct at issue represented  
4           misconduct under any provision of this title.”.

5           (f) TECHNICAL AMENDMENTS.—(1) Section 116 is  
6 amended—

7           (A) in the first paragraph, by striking “When”  
8           and inserting “(a) JOINT INVENTIONS.—When”;  
9           and

10           (B) in the second paragraph, by striking “If a  
11           joint inventor” and inserting “(b) OMITTED INVEN-  
12           TOR.—If a joint inventor”.

13           (2) Section 184 is amended—

14           (A) in the second paragraph, by striking “The  
15           term” and inserting “(b) APPLICATION.—The  
16           term”; and

17           (B) in the third paragraph, by striking “The  
18           scope” and inserting “(c) SUBSEQUENT MODIFICA-  
19           TIONS, AMENDMENTS, AND SUPPLEMENTS.—The  
20           scope”.

21           (3) Section 251 is amended—

22           (A) in the second paragraph, by striking “The  
23           Director” and inserting “(b) MULTIPLE REISSUED  
24           PATENTS.—The Director”;





1 (B) in the third paragraph, by striking “The  
2 provision” and inserting “(c) APPLICABILITY OF  
3 THIS TITLE.—The provisions”; and

4 (C) in the last paragraph, by striking “No re-  
5 issued patent” and inserting “(d) REISSUE PATENT  
6 ENLARGING SCOPE OF CLAIMS.—No reissued pat-  
7 ent”.

8 (4) Section 253 is amended in the second paragraph,  
9 by striking “in like manner” and inserting “(b) ADDI-  
10 TIONAL DISCLAIMER OR DEDICATION.—In the manner set  
11 forth in subsection (a),”.

12 **SEC. 6. RIGHT OF THE INVENTOR TO OBTAIN DAMAGES.**

13 Section 284 is amended—

14 (1) in the first paragraph—

15 (A) by striking “Upon” and inserting “(a)  
16 AWARD OF DAMAGES.—Upon”; and

17 (B) by adding at the end the following: “In  
18 determining a reasonable royalty in the case of  
19 a combination, the court shall consider, if rel-  
20 evant and among other factors, the portion of  
21 the realizable value that should be credited to  
22 the inventive contribution as distinguished from  
23 other features of the combination, the manufac-  
24 turing process, business risks, or significant



1 features or improvements added by the in-  
2 fringer.”;

3 (2) by amending the second paragraph to read  
4 as follows:

5 “(b) WILLFUL INFRINGEMENT.—

6 “(1) INCREASED DAMAGES.—A court that has  
7 determined that the infringer has willfully infringed  
8 a patent or patents may increase the damages up to  
9 three times the amount of damages found or as-  
10 sessed under subsection (a), except that increased  
11 damages under this paragraph shall not apply to  
12 provisional rights under section 154(d) of this title.

13 “(2) PERMITTED GROUNDS FOR WILLFUL-  
14 NESS.—A court may find that an infringer has will-  
15 fully infringed a patent only if the patent owner pre-  
16 sents clear and convincing evidence that—

17 “(A) after receiving written notice from  
18 the patentee—

19 “(i) alleging acts of infringement in a  
20 manner sufficient to give the infringer an  
21 objectively reasonable apprehension of suit  
22 on such patent, and

23 “(ii) identifying with particularity  
24 each claim of the patent, each product or  
25 process that the patent owner alleges in-



1 fringes the patent, and the relationship of  
2 such product or process to such claim,  
3 the infringer, after a reasonable opportunity to  
4 investigate, thereafter performed one or more of  
5 the alleged acts of infringement;

6 “(B) the infringer intentionally copied the  
7 patented invention with knowledge that it was  
8 patented; or

9 “(C) after having been found by a court to  
10 have infringed that patent, the infringer en-  
11 gaged in conduct that was not colorably dif-  
12 ferent from the conduct previously found to  
13 have infringed the patent, and which resulted in  
14 a separate finding of infringement of the same  
15 patent.

16 “(3) LIMITATIONS ON WILLFULNESS.—(A) A  
17 court shall not find that an infringer has willfully in-  
18 fringed a patent under paragraph (2) for any period  
19 of time during which the infringer had an informed  
20 good faith belief that the patent was invalid or unen-  
21 forceable, or would not be infringed by the conduct  
22 later shown to constitute infringement of the patent.

23 “(B) An informed good faith belief within the  
24 meaning of subparagraph (A) may be established by  
25 reasonable reliance on advice of counsel.



1           “(C) The decision of the infringer not to  
2 present evidence of advice of counsel shall have no  
3 relevance to a determination of willful infringement  
4 under paragraph (2).

5           “(4) LIMITATION ON PLEADING.—Before the  
6 date on which a determination has been made that  
7 the patent in suit is not invalid, is enforceable, and  
8 has been infringed by the infringer, a patentee may  
9 not plead, and a court may not determine, that an  
10 infringer has willfully infringed the patent. The  
11 court’s determination of an infringer’s willfulness  
12 shall be made without a jury.”; and

13           (3) in the third paragraph, by striking “The  
14 court” and inserting “(c) EXPERT TESTIMONY.—  
15 The court”.

16 **SEC. 7. POST-GRANT PROCEDURES AND OTHER QUALITY**  
17 **ENHANCEMENTS.**

18           (a) PUBLICATION.—Section 122(b)(2) is amended—

19           (1) by striking subparagraph (B); and

20           (2) in subparagraph (A)—

21           (A) by striking “(A) An application” and  
22 inserting “An application”; and

23           (B) by redesignating clauses (i) through  
24 (iv) as subparagraphs (A) through (D), respec-  
25 tively.



1 (b) DEFENSE TO INFRINGEMENT BASED ON EAR-  
2 LIER INVENTOR.—Section 273 of title 35, United States  
3 Code, is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)—

6 (i) by striking “of a method”; and

7 (ii) by striking “review period;” and  
8 inserting “review period; and”;

9 (B) in paragraph (2)(B), by striking the  
10 semicolon at the end and inserting a period;  
11 and

12 (C) by striking paragraphs (3) and (4);

13 (2) in subsection (b)—

14 (A) in paragraph (1)—

15 (i) by striking “for a method”; and

16 (ii) by striking “at least 1 year before  
17 the effective filing date of such patent,  
18 and” and all that follows through the pe-  
19 riod and inserting “and commercially used,  
20 or made substantial preparations for com-  
21 mercial use of, the subject matter before  
22 the effective filing date of the claimed in-  
23 vention.”;

24 (B) in paragraph (2)—



1 (i) by striking “The sale or other dis-  
2 position of a useful end result produced by  
3 a patented method” and inserting “The  
4 sale or other disposition of subject matter  
5 that qualifies for the defense set forth in  
6 this section”; and

7 (ii) by striking “a defense under this  
8 section with respect to that useful end re-  
9 sult” and inserting “such defense”; and

10 (C) in paragraph (3)—

11 (i) by striking subparagraph (A); and

12 (ii) by redesignating subparagraphs  
13 (B) and (C) as subparagraphs (A) and  
14 (B), respectively;

15 (3) in paragraph (7), by striking “of the pat-  
16 ent” and inserting “of the claimed invention”; and

17 (4) by amending the heading to read as follows:

18 **“§ 273. Special defenses to and exemptions from in-  
19 fringement”.**

20 (c) TABLE OF SECTIONS.—The item related to sec-  
21 tion 273 in the table of sections for chapter 28 is amended  
22 to read as follows:

“273. Special defenses to and exemptions from infringement.”.

23 (d) REEXAMINATION.—Section 315(c) is amended by  
24 striking “or could have raised”.



1 (e) EFFECTIVE DATES.—Notwithstanding any other  
2 provision of law, sections 311 through 318 of title 35,  
3 United States Code, as amended by this Act, shall apply  
4 to any patent that issues from an original application filed  
5 on any date.

6 (f) POST-GRANT OPPOSITION PROCEDURES.—

7 (1) IN GENERAL.—Part III is amended by add-  
8 ing at the end the following new chapter:

9 **“CHAPTER 32—POST-GRANT OPPOSITION**  
10 **PROCEDURES**

“321. Right to oppose patent; opposition request.

“322. Real party in interest.

“323. Timing of opposition request.

“324. Limits on scope of validity issues raised.

“325. Institution of the opposition proceeding.

“326. Patent owner response.

“327. Amendment of claims.

“328. Discovery and sanctions.

“329. Supplemental submissions.

“330. Hearing and briefs.

“331. Written decision.

“332. Burden of proof and evidence.

“333. Reconsideration.

“334. Appeal.

“335. Certificate.

“336. Estoppel.

“337. Duration of opposition.

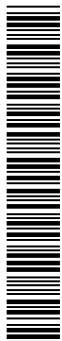
“338. Settlement.

“339. Intervening rights.

“340. Relationship with reexamination proceedings.

11 **“§ 321. Right to oppose patent; opposition request**

12 “(a) FILING OF OPPOSITION.—A person may request  
13 that the grant or reissue of a patent be reconsidered by  
14 the Office by filing an opposition seeking to cancel one  
15 or more claims in the patent. The Director shall establish,



1 by regulation, fees to be paid by the opposer. Copies of  
2 patents and printed publications to be relied upon in sup-  
3 port of the request must be filed with the request. If an  
4 opposer relies on other factual evidence or on expert opin-  
5 ions in support of the opposition, such evidence and opin-  
6 ions must be filed with the request through one or more  
7 accompanying affidavits or declarations.

8 “(b) COPIES PROVIDED TO PATENT OWNER.—Copies  
9 of any documents filed under subsection (a) must be pro-  
10 vided to the patent owner or, if applicable, the designated  
11 representative of the patent owner, at the time of filing  
12 under subsection (a), except that if a request is made  
13 under section 322(b) that the identity of a real party in  
14 interest be kept separate, then the identity of the real  
15 party in interest may be redacted from the copies pro-  
16 vided.

17 “(c) FILE AVAILABLE TO THE PUBLIC.—The file of  
18 any opposition proceeding shall be made available to the  
19 public except as provided in section 322.

20 **“§ 322. Real party in interest**

21 “(a) IDENTIFICATION.—The person making the re-  
22 quest under section 321 shall identify in writing each real  
23 party in interest, and the opposition shall proceed in the  
24 name of the real party in interest.

25 “(b) IDENTITY KEPT SECRET UPON REQUEST.—





1           “(1) IN GENERAL.—Subject to paragraph (2),  
2           if requested by the opposer, the identity of a real  
3           party in interest shall be kept separate from the file  
4           of the opposition and made available only to Govern-  
5           ment agencies upon written request, or to any per-  
6           son upon a showing of good cause. If the identity of  
7           a real party in interest is kept separate from the file  
8           under this subsection, then the opposition shall pro-  
9           ceed in the name of the individual filing the request  
10          as representative of the real party in interest.

11          “(2) EXCEPTION.—No request under this para-  
12          graph (1) to keep the identity of a real party in in-  
13          terest separate from the file of the opposition may  
14          be made or maintained if the opposer relies upon  
15          factual evidence or expert opinions in the form of af-  
16          fidavits or declarations during the opposition pro-  
17          ceeding or if the opposer becomes a party to an ap-  
18          peal under section 141.

19          **“§ 323. Timing of opposition request**

20          “An person may not make an opposition request  
21          under section 321 later than 9 months after the grant of  
22          the patent or issuance of a reissue patent, or, if the patent  
23          owner consents in writing, an opposition request may be  
24          filed at any time during the period of enforceability of the  
25          patent. A court having jurisdiction over an issue of validity



1 of a patent may not require the patent owner to consent  
2 to such a request.

3 **“§ 324. Limits on scope of validity issues raised**

4 “An opposition request must identify with particu-  
5 larity the claims that are alleged to be unpatentable and,  
6 as to each claim, one or more questions of patentability  
7 on which the opposition is based. The questions of patent-  
8 ability that may be considered during the opposition pro-  
9 ceeding are double patenting and any of the conditions  
10 or requirements for patentability set forth in sections 101,  
11 102, 103, 112, and 251(d).

12 **“§ 325. Institution of the opposition proceeding; stay**  
13 **upon timely filed suit**

14 “(a) DETERMINATION ON OPPOSITION REQUEST; IN-  
15 STITUTION OF OPPOSITION PROCEEDING.—

16 “(1) DETERMINATION BY THE DIRECTOR.—For  
17 each opposition request submitted under section  
18 321(a) with respect to a patent, the Director shall  
19 determine if the written statement, and any evidence  
20 submitted with the request, establish that a substan-  
21 tial question of patentability exists for at least one  
22 claim in the patent. The Director shall notify the  
23 patent owner and each opposer in writing of the Di-  
24 rector’s findings, not later than the date in which an  
25 opposition proceeding is instituted pursuant to the



1 request. Any determination made by the Director  
2 under this paragraph shall not be appealable.

3 “(2) INSTITUTION.—If the Director makes a  
4 determination under paragraph (1) that a substan-  
5 tial question of patentability exists, the Director  
6 shall commence an opposition proceeding. The Di-  
7 rector shall institute such proceeding not earlier  
8 than the date on which the 9-month period specified  
9 in section 323 expires, and not later than the date  
10 that is three months after such date. Absent a show-  
11 ing of good cause, the opposition proceeding shall be  
12 limited to review of the claim or claims and the sub-  
13 stantial questions of patentability identified in the  
14 opposition request.

15 “(3) CONSOLIDATED PROCEEDING.—If an op-  
16 position is instituted based upon more than one op-  
17 position request, the opposition shall proceed as a  
18 single consolidated proceeding, unless later divided  
19 under subsection (c).

20 “(b) PARTIES.—The parties to the opposition pro-  
21 ceeding shall be the patent owner and each opposer who  
22 has filed a request that results in a determination under  
23 subsection (a)(2) to institute the opposition proceeding.

24 “(c) ASSIGNMENT TO PANEL.—The Director shall as-  
25 sign the opposition proceeding to a panel of three adminis-



1 trative patent judges (in this chapter referred to as the  
2 ‘panel’). The panel shall decide the questions of patent-  
3 ability raised in the opposition request. The decision shall  
4 be based upon the prosecution record that was the basis  
5 for the grant or reissue of the patent and the additional  
6 submissions by the parties to the opposition proceeding  
7 authorized under this chapter. The panel may, in appro-  
8 priate cases, divide the opposition into separate pro-  
9 ceedings if the opposition involves multiple opposition re-  
10 quests by different parties.

11 “(d) RELATIONSHIP TO COURT ACTIONS.—

12 “(1) STAY OF OPPOSITION.—The determination  
13 by the Director under subsection (a)(1) shall not be  
14 made, and an opposition proceeding shall not be in-  
15 stituted under subsection (a)(2), with respect to a  
16 patent, until after an action alleging infringement of  
17 the patent is finally concluded, if—

18 “(A) such a stay is requested by the patent  
19 owner;

20 “(B) the infringement action is filed within  
21 3 months after the grant of the patent;

22 “(C) the Director determines that the in-  
23 fringement action is likely to address the same  
24 or substantially the same questions of patent-



1 ability that would be addressed in the opposi-  
2 tion proceeding; and

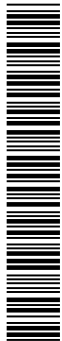
3 “(D) the Director determines that staying  
4 the opposition proceeding would not be contrary  
5 to the interests of justice.

6 “(2) INSTITUTING OPPOSITION FOLLOWING  
7 STAY.—Within 3 months after the date on which a  
8 stay under paragraph (1) ends, the Director shall  
9 determine whether a substantial question of patent-  
10 ability that was set forth in the opposition request  
11 continues to exist. The Director may institute an op-  
12 position proceeding following a stay under paragraph  
13 (1) only with respect to a substantial question of  
14 patentability identified in an opposition request that  
15 continues to exist because it was not decided by the  
16 court in the infringement action.

17 “(3) NO STAY OF CONCURRENT COURT AC-  
18 TION.—A court may not stay an action for  
19 infringement—

20 “(A) pending a determination of whether  
21 to institute an opposition proceeding; or

22 “(B) if an opposition proceeding is com-  
23 menced under this chapter, during the pendency  
24 of the opposition proceeding.



1           “(4) EFFECT OF CLAIM INTERPRETATION BY A  
2           COURT.—If a court has entered an order inter-  
3           preting a claim of a patent involved in an opposition  
4           proceeding, the order has become final and non-  
5           appealable, and the patent owner disclaims any  
6           broader interpretation of the claim, the patent owner  
7           may elect to have the claim interpretation of the  
8           court govern the opposition proceeding.

9           **“§ 326. Patent owner response**

10          “After the Director has instituted an opposition pro-  
11          ceeding under section 325 with respect to a patent, the  
12          patent owner shall have the right to file, within a time  
13          period set by the Director, a response to each opposition  
14          request that resulted in a determination under section  
15          325(a)(2) to institute the opposition proceeding. The pat-  
16          ent owner shall file with the response, through affidavits  
17          or declarations, any additional factual evidence and expert  
18          opinions on which the patent owner relies in support of  
19          the response.

20          **“§ 327. Amendment of claims**

21          “The patent owner is entitled to request amendment  
22          of any claims that are the subject of an opposition pro-  
23          ceeding under this chapter, including by the addition of  
24          new claims. Any such request for amendment shall be filed  
25          with the patent owner’s response to the opposition pro-



1 ceeding. The panel may permit further requests for  
2 amendment of the claims only upon good cause shown by  
3 the patent owner. No amendment enlarging the scope of  
4 the claims of the patent shall be permitted in the opposi-  
5 tion proceeding.

6 **“§ 328. Discovery and sanctions**

7 “(a) DEPOSITIONS.—After an opposition proceeding  
8 under this chapter is instituted, the patent owner shall  
9 have the right to depose each person submitting an affi-  
10 davit or declaration on behalf of any opposer, and each  
11 opposer shall have the right to depose each person submit-  
12 ting an affidavit or declaration on behalf of the patent  
13 owner. Such depositions shall be limited to cross-examina-  
14 tion on matters relevant to the affidavit or declaration.

15 “(b) ADDITIONAL DISCOVERY.—No discovery other  
16 than that provided for in subsection (a) shall be permitted  
17 unless the panel determines that additional discovery is  
18 required in the interest of justice.

19 “(c) SCHEDULE.—The panel shall determine the  
20 schedule for the taking of discovery under subsections (a)  
21 and (b).

22 “(d) CONSEQUENCES FOR FAILURE TO RESPOND  
23 PROPERLY.—If any party to an opposition proceeding  
24 fails to properly respond to any discovery under subsection  
25 (a) or (b), the panel may draw appropriate adverse infer-



1 ences and take other action permitted by statute, rule, or  
2 regulation.

3 **“§ 329. Supplemental submissions**

4 “The panel may permit one or more supplemental  
5 submissions to be made by any party to an opposition pro-  
6 ceeding under this chapter, subject to the rights and limi-  
7 tations on discovery under section 328.

8 **“§ 330. Hearing and briefs**

9 “A party to an opposition proceeding under this  
10 chapter may request an oral hearing by the date set by  
11 the panel. If a hearing is requested or the panel deter-  
12 mines sua sponte that a hearing is warranted, the panel  
13 shall set a time for the hearing. The panel may permit  
14 the parties to file briefs for the hearing, and shall permit  
15 cross-examination of all affiants and declarants in the  
16 hearing, either before the panel or by deposition taken  
17 under section 328.

18 **“§ 331. Written decision**

19 “The panel shall issue a written decision on each  
20 issue of patentability with respect to each claim that is  
21 the subject of an opposition proceeding under this chapter.  
22 The written decision shall consist of findings of fact and  
23 conclusions of law. The written decision shall become a  
24 final determination of the Office on the questions raised  
25 in the opposition unless a party to the opposition files a





1 request for reconsideration and modification of the written  
2 decision within a period of time set by the panel. Such  
3 time period shall not be less than two weeks after the date  
4 of the written decision.

5 **“§ 332. Burden of proof and evidence**

6 “(a) BURDEN OF PROOF.—The opposer in an opposi-  
7 tion proceeding under this chapter shall have the burden  
8 to prove the invalidity of a claim by a preponderance of  
9 the evidence. The determination of patentability shall be  
10 based upon the broadest reasonable construction of the  
11 claim.

12 “(b) EVIDENCE.—The Federal Rules of Evidence  
13 shall apply to the opposition proceeding, except to the ex-  
14 tent inconsistent with any provision of this chapter.

15 **“§ 333. Reconsideration**

16 “If a request is filed for reconsideration of the written  
17 decision in an opposition proceeding under this chapter,  
18 the panel may authorize a party to the proceeding who  
19 did not file such a request to file a response to the request  
20 for reconsideration. Following any reconsideration, the  
21 panel shall either deny the request for modification of the  
22 written decision or grant the request and issue a modified  
23 written decision, which shall constitute the final deter-  
24 mination of the Office on the questions raised in the oppo-  
25 sition proceeding.



1 **“§ 334. Appeal**

2 “A party dissatisfied with the final determination of  
3 the panel in an opposition proceeding under this chapter  
4 may appeal the determination under sections 141 through  
5 144. Any party to the opposition proceeding shall have the  
6 right to be a party to the appeal.

7 **“§ 335. Certificate**

8 “When a decision of a panel in an opposition pro-  
9 ceeding under this chapter has become final under section  
10 331, 333, or 334, the Director shall issue and publish a  
11 certificate in accordance with the decision, canceling any  
12 claim of the patent determined to be unpatentable, and  
13 shall incorporate into the patent any new or amended  
14 claims determined to be patentable. The issuance of the  
15 certificate shall terminate the opposition proceeding.

16 **“§ 336. Estoppel**

17 “(a) ESTOPPEL.—

18 “(1) IN GENERAL.—Subject to paragraph (2),  
19 after a certificate has been issued under section 335  
20 in accordance with the decision of the panel in an  
21 opposition proceeding, the determination with re-  
22 spect to a question of patentability raised by an op-  
23 poser shall bar the opposer from asserting, in any  
24 subsequent proceeding before the Office or a court  
25 involving that opposer under this title, that any  
26 claim of that patent addressed in the opposition pro-



1       ceeding is invalid on the basis of any issue of fact  
2       or law actually decided by the panel and necessary  
3       to the determination of that issue.

4               “(2) EXCEPTION.—If an opposer in an opposi-  
5       tion proceeding demonstrates in a subsequent pro-  
6       ceeding referred to in paragraph (1) that there is  
7       additional factual evidence that is material to an  
8       issue of fact actually decided and necessary to the  
9       final determination in the opposition proceeding,  
10      that could not reasonably have been discovered by  
11      that opposer, the opposer may raise, in that subse-  
12      quent proceeding, that issue of fact and any deter-  
13      mined issue of law for which the issue of fact was  
14      necessary.

15              “(b) EXPANDED DEFINITION OF OPPOSER.—For  
16      purposes of this section, the term ‘opposer’ includes the  
17      person making the request under section 321, any real  
18      party in interest, and their successors in interest.

19              “(c) NEW PARTY IN INTEREST.—If a proceeding  
20      arising by reason of additional factual evidence raised  
21      under subsection (a)(2) involves a real party in interest  
22      not identified to the patent owner under section 322, the  
23      real party in interest shall notify the Director and the pat-  
24      ent owner of that fact and of the subsequent proceeding,



1 within 30 days after receiving notice that the subsequent  
2 proceeding has been filed.

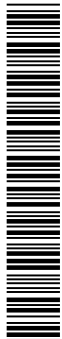
3 **“§ 337. Duration of opposition**

4 “The final determination of a panel described in sec-  
5 tion 333 shall issue not later than one year after the date  
6 on which the opposition proceeding is instituted under sec-  
7 tion 325. Upon good cause shown, the Director may ex-  
8 tend the 1-year period by not more than six months.

9 **“§ 338. Settlement**

10 “(a) IN GENERAL.—An opposition proceeding under  
11 this chapter shall be terminated with respect to any op-  
12 poser upon the joint request of the opposer and the patent  
13 owner, unless the panel has issued a written decision  
14 under section 331 before the request for termination is  
15 filed. If the opposition is terminated with respect to an  
16 opposer under this section, no estoppel under section 336  
17 shall apply to that opposer. If no opposer remains in the  
18 proceeding, the panel may terminate the proceeding or  
19 proceed in the absence of an opposer to issue a written  
20 decision under section 331.

21 “(b) AGREEMENTS IN WRITING.—Any agreement or  
22 understanding between the patent owner and an opposer,  
23 including any collateral agreements referred to therein,  
24 that is made in connection with or in contemplation of  
25 the termination of an opposition proceeding, shall be in



1 writing. An opposition proceeding as between the parties  
2 to the agreement or understanding shall not be terminated  
3 until a true copy of the agreement or understanding, in-  
4 cluding any such collateral agreements, has been filed in  
5 the Office. If any party filing an agreement or under-  
6 standing requests, the agreement or understanding shall  
7 be kept separate from the file of the opposition, and shall  
8 be made available only to Government agencies on written  
9 request, or to any person on a showing of good cause.

10 “(c) DISCRETIONARY ACTIONS REVIEWABLE.—Any  
11 discretionary action of the Director under subsection (b)  
12 shall be reviewable under chapter 7 of title 5.

13 **“§ 339. Intervening rights**

14 “Any proposed amended or new claim determined to  
15 be patentable and incorporated into a patent following an  
16 opposition proceeding under this chapter shall have the  
17 same effect as that specified in section 252 of this title  
18 for reissued patents on the right of any person who made,  
19 purchased, or used within the United States, or imported  
20 into the United States, anything patented by such pro-  
21 posed amended or new claim, or who made substantial  
22 preparation therefor, before the certificate is issued under  
23 section 335 with respect to that amended or new claim.



1 **“§ 340. Relationship with reexamination proceedings**

2 “A patent for which an opposition proceeding has  
3 been instituted under this chapter may not thereafter be  
4 made the subject of a request under section 302 or 311  
5 for reexamination by the same opposer or on behalf of the  
6 same real party in interest, on the same claim and on the  
7 same issue that was the basis of the opposition proceeding.  
8 An ex parte reexamination request made by a person other  
9 than the patent owner during the 9-month period specified  
10 in section 323, or an inter partes reexamination request  
11 made during the 9-month period specified in section 323,  
12 shall be treated as a request under section 321, and no  
13 ex parte reexamination or inter partes reexamination may  
14 be ordered based on such request. A request for ex parte  
15 reexamination or inter partes reexamination made after  
16 the 9-month period specified in section 323, and a request  
17 for ex parte reexamination made by the patent owner at  
18 any time, shall be stayed during the pendency of any oppo-  
19 sition proceeding under this chapter.”.

20 (g) CONFORMING AMENDMENT.—The table of chap-  
21 ters for part III is amended by adding at the end the fol-  
22 lowing:

**“32. Post-Grant Opposition Procedures ..... 321”.**

23 (h) AUTHORITY OF PANELS OF ADMINISTRATIVE  
24 PATENT JUDGES.—Section 6 is amended by adding at the  
25 the following:



1       “(c) ADDITIONAL RESPONSIBILITIES OF ADMINIS-  
2 TRATIVE PATENT JUDGES.—Panels of administrative pat-  
3 ent judges, once assigned by the Director, shall have the  
4 responsibilities under chapter 32 in connection with post-  
5 grant opposition proceedings.”.

6 **SEC. 8. SUBMISSIONS BY THIRD PARTIES.**

7       Section 122 is amended by adding at the end the fol-  
8 lowing:

9       “(e) PREISSUANCE SUBMISSIONS BY THIRD PAR-  
10 TIES.—

11               “(1) IN GENERAL.—Any person may submit for  
12 consideration and inclusion in the record of a patent  
13 application, any patent, published patent application  
14 or other publication of potential relevance to the ex-  
15 amination of the application, if such submission is  
16 made in writing before the earlier of—

17                       “(A) the date a notice of allowance under  
18 section 151 is mailed in the application for pat-  
19 ent; or

20                       “(B) either—

21                               “(i) six months after the date on  
22 which the application for patent is pub-  
23 lished under section 122, or

24                               “(ii) the date of the first rejection  
25 under section 132 of any claim by the ex-



1           aminer during the examination of the ap-  
2           plication for patent,  
3           whichever occurs later.

4           “(2) OTHER REQUIREMENTS.—Any submission  
5           under paragraph (1) shall—

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

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

10           “(C) include a statement by the submitter  
11           affirming that the submission was made in  
12           compliance with this section.”.

13 **SEC. 9. VENUE.**

14           (a) VENUE GENERALLY.—Section 1391(c) of title  
15 28, United States Code, is amended by inserting “except  
16 for section 1400(b),” after “this chapter”.

17           (b) VENUE FOR PATENT CASES.—

18           (1) IN GENERAL.—Section 1400 of title 28,  
19           United States Code, is amended by striking sub-  
20           section (b) and inserting the following:

21           “(b) Any civil action arising under any Act of Con-  
22           gress relating to patents, other than an action for declara-  
23           tory judgment or an action seeking review of a decision  
24           of the Board of Patent Appeals under chapter 13 of title  
25 35, may be brought only—





1           “(1) in the judicial district where the defendant  
2 resides;

3           “(2) in the judicial district where the defendant  
4 has committed acts of infringement and has a reg-  
5 ular and established place of business; or

6           “(3) if the plaintiff is a not-for-profit edu-  
7 cational institution that owned the rights of the pat-  
8 ents in suit as of the effective filing date of those  
9 patents, in any judicial district in which the defend-  
10 ant is subject to personal jurisdiction at the time the  
11 action is commenced.

12          “(c) Notwithstanding section 1391(c) of this title, for  
13 purposes of venue under this section, a defendant that is  
14 a corporation shall be deemed to reside in the judicial dis-  
15 trict in which the corporation has its principal place of  
16 business.”.

17           (2) CLERICAL AMENDMENT.—The item relating  
18 to section 1400 in the table of sections for chapter  
19 87 of title 28, United States Code, is amended to  
20 read as follows:

“1400. Patents and copyrights, mask works, and designs.”.

21 **SEC. 10. APPLICABILITY; TRANSITIONAL PROVISIONS.**

22           (a) SECTION 3.—The amendments made by section  
23 3 shall apply to applications for patent, and any patents  
24 issued thereon, that contain a claim to a claimed invention  
25 that has an effective filing date (as defined in section

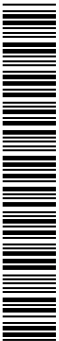


1 100(h) of title 35, United States Code) that is one year  
2 or more after the date of the enactment of this Act. With  
3 respect to any patent or application for patent to which  
4 the amendments made by section 3 apply, no claim in the  
5 patent or in the application shall be entitled to an effective  
6 filing date that is before the date of the enactment of this  
7 Act.

8 (b) SECTIONS 4 AND 6.—The amendments made by  
9 sections 4 and 6 shall take effect on the date of the enact-  
10 ment of this Act, except that such amendments shall not  
11 apply to any action brought in any court before such date  
12 of the enactment.

13 (c) SECTION 5.—The amendments made by section  
14 5 shall take effect on the date of the enactment of this  
15 Act and shall apply to patents issued on or after such date  
16 of enactment, except that, in any action brought on or  
17 after the date of the enactment of this Act in any court  
18 involving a patent issued before the date of the enactment  
19 of this Act, the patent owner may consent to—

20 (1) the jurisdiction of the United States Patent  
21 and Trademark Office based on a referral by the  
22 court under section 136(c)(4) of title 35, United  
23 States Code; and



1           (2) any penalty imposed by the Patent and  
2           Trademark Office under section 136(e) of such title  
3           pursuant to such referral.

4           (d) SECTION 7.—(1) The amendments made by sub-  
5           section (a) of section 7 shall apply to applications for pat-  
6           ent filed on or after the date of the enactment of this Act.

7           (2) The amendments made by subsection (b) of sec-  
8           tion 7 shall apply to patents issuing on applications filed  
9           on or after the date of the enactment of this Act.

10          (3) The amendment made by subsection (c) of section  
11          7, and the provisions of subsection (e) of section 7, shall  
12          take effect on the date of the enactment of this Act.

13          (4) The amendments made by subsection (d) of sec-  
14          tion 7 shall apply to any request made under section 311  
15          of title 35, United States Code, on or after the date of  
16          the enactment of this Act.

17          (5) The amendments made by subsection (f) of sec-  
18          tion 7 shall take effect on the date of the enactment of  
19          this Act, except that—

20                 (A) no request for institution of an opposition  
21                 proceeding under chapter 32 of title 35, United  
22                 States Code, may be made until—

23                         (i) the end of the 1-year period beginning  
24                         on the date of the enactment of this Act; or



1           (ii) such later date that the Director may  
2           establish through notice published in the Fed-  
3           eral Register; and

4           (B) any such request may be made only with  
5           respect to a patent to which the amendments made  
6           by section 3 apply.

7           (e) SECTION 8.—The amendments made by section  
8           8 shall take effect at the end of the 1-year period begin-  
9           ning on the date of the enactment of this Act.

10          (f) SECTION 9.—The amendments made by section  
11          9 shall apply to any action filed on or after the date of  
12          the enactment of this Act.

13          (g) DETERMINING VALIDITY OF CLAIMS.—For the  
14          purpose of determining the validity of a claim in any pat-  
15          ent or the patentability of any claim in a nonprovisional  
16          application for patent that is made before the effective  
17          date of the amendments made by section 3, other than  
18          in an action brought in a court before the date of the en-  
19          actment of this Act—

20                 (1) the provisions of subsections (c) and (d) of  
21                 section 102 of title 35, United States Code, shall be  
22                 deemed to be repealed;

23                 (2) the provisions of section 102(f) of title 35,  
24                 United States Code, shall be deemed to be repealed  
25                 and replaced by the provisions of section 101 of title



1 35, United States Code, as amended by section 4(a)  
2 of this Act, relating to the inventor's right to seek  
3 and obtain a patent, except that a claim in a patent  
4 that is otherwise valid shall not be invalidated by  
5 reason of this paragraph; and

6 (3) the term "in public use or on sale" as used  
7 in section 102(b) of title 35, United States Code,  
8 shall be deemed to exclude the use, sale, or offer for  
9 sale of any subject matter that had not become rea-  
10 sonably and effectively accessible to persons of ordi-  
11 nary skill in the art to which the subject matter per-  
12 tains, as defined in the amendments made by section  
13 3 of this Act.

14 (h) EFFECT OF EUROPEAN PATENT CONVENTION  
15 AND PATENT LAWS OF JAPAN.—Before the date, if ever,  
16 that the Director of the United States Patent and Trade-  
17 mark Office publishes a notice in the Official Gazette of  
18 the Office declaring that both the European Patent Con-  
19 vention and the patent laws of Japan afford inventors  
20 seeking patents a 1-year period prior to the effective filing  
21 date of a claimed invention during which disclosures made  
22 by the inventor or by others who obtained the subject mat-  
23 ter disclosed directly or indirectly from the inventor do not  
24 constitute prior art, the term "effective filing date" as  
25 used in section 102(a)(1)(A) of title 35, United States



1 Code, shall be construed by disregarding any right of pri-  
2 ority under section 119 or 365 of title 35, United States  
3 Code, except that provided under section 119(e) of title  
4 35, United States Code.

