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

Whenever in this Act a section or other provision is amended or repealed, that amendment or repeal shall be considered to be made to that section or other provision of title 35, United States Code.

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

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

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

" “(g) The terms ‘joint inventor’ and ‘~~co-~~ inventor coinventor’ mean any 1 of the individuals who invented or discovered the subject matter of a joint invention.

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

" “(1) the filing date of the patent or the application for patent containing the claim to the invention;

or " “(2) if the patent or application for patent is entitled to a right of priority of any other application under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c), the filing date of the earliest such application in which the claimed invention is disclosed in the manner provided by the first paragraph of section 112.

" "(i) The term 'claimed invention' means the subject matter defined by a claim in a patent or an application for a patent.

" "(j) The term 'joint invention' means an invention resulting from the collaboration of inventive endeavors of 2 or more persons working toward the same end and producing an invention by their collective efforts."

(b) CONDITIONS FOR PATENTABILITY.—

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

" "§ 102. Conditions for patentability; novelty

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

" "(1) the claimed invention was patented, ~~described~~de-scribed in a printed publication, or ~~otherwise publicly known~~in public use or on sale—

" "(A) more than ~~1~~one year before the effective filing date of the claimed invention; or

" "(B) ~~1~~one year or less before the effective filing date of the claimed invention, ~~if the invention was patented or described in a printed publication or otherwise publicly known before the invention thereof by the applicant for a patent~~other than through disclosures made by the inventor or a joint inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

" "(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case

may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

~~"(b) LIMITATION ON PRIOR ART.—~~

"(b) EXCEPTIONS.—

"(1) PRIOR INVENTOR DISCLOSURE EXCEPTION.— Subject matter that would otherwise qualify as prior art under subparagraph (B) of subsection (a)(1) shall not be prior art to a claimed invention under that subparagraph if the subject matter had, before the applicable date under such subparagraph (B), been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor, joint inventor, or applicant.

~~"(1) "~~"(2) DERIVATION AND COMMON ASSIGNMENT EXCEPTIONS.—Subject matter that would otherwise qualify as prior art only under subsection (a)(2), after taking into account the exception under paragraph (1), shall not be prior art to a claimed invention if—

"(A) the subject matter was obtained directly or indirectly from the inventor or a joint inventor; or

"(B) the subject matter and the claimed invention ~~were~~, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

"(3) JOINT RESEARCH AGREEMENT EXCEPTION.—

"(A) IN GENERAL.—Subject matter and a claimed invention shall be deemed to have been

owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of paragraph (2) if—

~~“(2) GRACE PERIOD. Subject matter disclosed in the prior art less than 1 year~~

~~_____“(i) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention—shall not preclude the patenting of a claimed invention under subsection (a) or section 103 if:~~

~~_____“(ii) the claimed invention was made prior to the date the subject matter becomes prior art pursuant to section 102(b), if the subject matter disclosed was obtained directly or indirectly from an inventor of the claimed subject matter or the applicant. as a result of activities undertaken within the scope of the joint research agreement; and~~

~~_____“(iii) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.~~

~~_____“(B) For purposes of subparagraph (A), the term ‘joint research agreement’ means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental,~~

or research work in the field of the claimed invention.

" (34) PATENTS AND PUBLISHED APPLICATIONS ~~EFFECTIVE~~EFFECTIVELY FILED.—A patent or application for patent is effectively filed under subsection (a)(2) with respect to any subject matter described in the patent or application—

" (A) as of the filing date of the patent or the application for patent; or

" (B) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b) or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon ~~one~~one or more prior filed applications for patent, as of the filing date of the earliest such application that ~~describes~~de- scribes the subject matter."”.

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

"102. Conditions for patentability; novelty."”.

(c) CONDITIONS FOR PATENTABILITY; ~~NONOBVIOUS~~NON-OBVIOUS SUBJECT MATTER.—

Section 103 is amended—to read as follows:

~~(1) in subsection (a)—~~

~~(A) by striking "A patent may not be obtained through the invention" and inserting "A patent for the claimed invention may not be obtained through the claimed invention";~~

~~(B) by striking "sought to be patented" and inserting "of the claimed invention"; and~~

“§ 103. Conditions for patentability; nonobvious subject matter

~~(C) by striking "at the time the invention was made" and inserting "~~“A patent for a claimed invention may not be obtained though the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention”;

~~(2) by striking subsection (b) and re-designating subsection (c) as subsection (b);~~

~~(3) by amending subsection (b)(1), as so re-designated, to read as follows:~~

~~“(d)(1) Subject matter developed by another person, which is disqualified as prior art under section 102(b), shall not preclude patentability under this section if the subject matter and the claimed invention were owned by the same person, or subject to an obligation of assignment to the same person, on or before the effective filing date of the claimed invention.”; and (4) in subsection (b)(2)(A), as so re-designated, by striking “the date the claimed invention was made” and inserting “the effective filing date of the claimed invention”- to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.”.~~

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

(e) REPEAL OF STATUTORY INVENTION REGISTRATION.—

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

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

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

(g) CONFORMING AMENDMENTS.—

(1) RIGHT OF PRIORITY.— Section 172 is amended by striking “and the time specified in section 102(d)”.

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

(3) INTERNATIONAL APPLICATION DESIGNATING THE UNITED STATES : EFFECT.— Section 363 is amended by striking “except as otherwise provided in section 102(e) of this title”.

(4) PUBLICATION OF INTERNATIONAL APPLICATION: EFFECT.—Section 374 is amended by striking “sections 102(e) and 154(d)” and inserting “section 154(d)”.

(5) PATENT ISSUED ON INTERNATIONAL APPLICATION: EFFECT.— The second sentence of

section 375(a) is amended by striking "Subject to section 102(e) of this title, such"" and inserting "Such".

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

(7) INVENTIONS MADE WITH FEDERAL ASSISTANCE.—Section 202(c) is amended—

(A) in paragraph (2)—

(i) by striking "publication, on sale, or public use," and all that follows through "obtained in the United States" and inserting "the 1-year period referred to in section 102(a) would end before the end of ~~such~~that 2-year period"; and

(ii) by striking "the statutory" and inserting "the"that 1-year"; and

(B) in paragraph (3), by striking "any statutory bar date that may occur under this title due to publication, on sale, or public use" and inserting "the expiration of the 1-year period referred to in section 102(a)".

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

(i) ACTION FOR CLAIM TO PATENT ON DERIVED INVENTION.—Section 135(a) is amended to read as follows:

" (a) DISPUTE OVER RIGHT TO PATENT.—

" (1) INSTITUTION OF ~~INVENTOR'S RIGHTS CONTEST~~ DERIVATION PROCEEDING.—An

applicant may request initiation of a derivation proceeding to determine the right of the applicant to a patent by filing a request which sets forth with particularity the basis for finding that an earlier applicant derived the claimed invention ~~and~~ from the applicant requesting the proceeding and, without authorization, filed an application claiming such invention. Any such request ~~shall~~ may only be made within 12 months ~~of~~ after the date of first publication of an application containing a claim that is the same or is substantially the same as the claimed invention, must be made under oath, and must be supported by substantial evidence. Whenever the Director determines that patents or applications for patent naming different individuals as the inventor ~~are determined by the Director to interfere with one another~~ because of a dispute over the right to patent under section 101, the Director shall institute ~~an inventor's rights contest~~ a derivation proceeding for the purpose of determining which applicant is entitled to a patent.

" “(2) REQUIREMENTS.—~~No~~ A proceeding ~~shall under this subsection may not~~ be commenced ~~under this subsection~~ unless the party requesting the proceeding has filed an application that ~~“(A) was~~ filed not later than 18 months after the effective filing date of the application or patent deemed to interfere with the subsequent application or patent; ~~and~~.

~~“(B) did not, within 1 year of the earliest effective filing date of the application, contain a claim that is the~~

~~same or substantially the same as the invention claimed in the earlier filed application;~~

" “(3) DETERMINATION BY PATENT TRIAL AND APPEAL BOARD.—In any proceeding under this ~~subsection~~sub-section, the Patent Trial and Appeal Board—

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

" “(B) in appropriate circumstances, may correct the naming of the inventor in any application or patent at issue; and

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

" “(4) ~~DERIVATIVE~~DERIVATION PROCEEDING.—The Board may defer action on a request to initiate a derivation proceeding until 3 months after the date on which the Director issues a patent to the applicant that filed the earlier application.

" “(5) EFFECT OF FINAL DECISION.—The final decision of the Patent ~~Trials~~Trial and Appeal Board, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent and Trademark Office on the claims involved. The Director may issue a patent to an applicant who is ~~judged~~determined by the Patent Trial and Appeal Board to have the right to patent. The final decision of the Board, if adverse to a patentee, shall, if no appeal or other review of the decision has been or can be taken or had, constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on

copies of the patent distributed after such cancellation by the Patent and Trademark Office.””.

(j) ~~PATENT TRIAL AND APPEAL BOARD.—(1)~~ ELIMINATION OF REFERENCES TO INTERFERENCES.—(A~~1~~) Sections 6, 41, 134, 141, 145, 146, 154, 305, and 314 are each amended by striking ““Board of Patent Appeals” and Interferences”” each place it appears and inserting ““Patent Trial and Appeal Board””.

(B~~2~~) Sections ~~135~~, 141, 146, and 154 are each amended—

(A) by striking ““an interference”” each place it appears and inserting “~~inventor’s rights contest~~”“a derivation proceeding”;

and

(B) by striking “interference” each additional place it appears and inserting “derivation proceeding”.”

(3) The section heading for section 134 is amended to read as follows:

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

(4) The section heading for section 135 is amended to read as follows:

“§ 135. Derivation proceedings”.

(5) The section heading for section 146 is amended to read as follows:

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

(6) Section 154(b)(1)(C) is amended by striking “INTERFERENCES”” and inserting “DERIVATION PROCEEDINGS””.

(7) The item relating to section 6 in the table of sections for chapter 1 is amended to read as follows:

“6. Patent Trial and Appeal Board.”

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

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

“135. Derivation proceedings.”

~~_____~~(~~C9~~) The item relating to section 146 in the table of sections for chapter 13 is amended to read as follows:

~~““146. Civil action in case of inventor’s rights contest.”-derivation proceeding.”.~~

~~(2) TECHNICAL AND CONFORMING AMENDMENTS.—Section 135(c) is amended—~~

~~(A) by striking "(c) Any" and inserting "(c)(1) Any";~~

~~(B) in the second paragraph, by striking "The Director" and inserting "(2) The Director"; and~~

~~(C) in the third paragraph, by striking "Any discretionary" and inserting "(3) Any discretionary".~~

~~(10) CERTAIN APPEALS.—Subsection 1295(a)(4)(A) of title 28, United States Code, is amended to read as follows:~~

~~“(A) the Patent Trial and Appeal Board of the United States Patent and Trademark Office with respect to patent applications, derivation proceedings, and post-grant review proceedings, at the instance of an applicant for a patent or any party to a patent interference (commenced before the effective date of the Patent Reform Act of 2007), derivation proceeding, or post-grant review proceeding, and any such appeal shall waive any right of such applicant or party to proceed under section 145 or 146 of title 35;”.~~

SEC. 4. INVENTOR’S OATH OR DECLARATION.

(a) INVENTOR’S OATH OR DECLARATION.—

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

11 “§ 115. Inventor’s oath or declaration

11 “(a) NAMING THE INVENTOR; INVENTOR’S OATH OR DECLARATION.— An application for patent that is filed under section 111(a), that commences the national stage under section 363, or that is filed by an inventor for an invention for which an application has previously been filed under this title by that inventor shall include, or be amended to include, the name of the inventor of any claimed invention in the application. Except as otherwise provided in this section, an individual who is the inventor or a joint inventor of a claimed invention in an application for patent shall execute an oath or declaration in connection with the application.

11 “(b) REQUIRED STATEMENTS.—An oath or declaration under subsection (a) shall contain statements that—

11 “(1) the application was made or was authorized to be made by the affiant or declarant; and 11 “(2) such individual believes himself or herself to be the original inventor or an original joint inventor of a claimed invention in the application.

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

11 “(d) SUBSTITUTE STATEMENT.—

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

" (2) PERMITTED CIRCUMSTANCES.—A substitute statement under paragraph (1) ~~shall be~~ is permitted with respect to any individual who, ~~at the time the substitute statement is filed~~—

(A) is unable to file the oath or declaration under subsection (a) because the individual—

" (A) is deceased;

" (B) is under legal incapacity; or

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

" (C) is under an obligation to assign the invention, but has refused to make the oath or declaration required under subsection (a); ~~or~~ (D) cannot be found or reached after diligent effort.

" (3) CONTENTS.—A substitute statement under this subsection shall—

" (A) identify the individual with respect to whom the statement applies;

" (B) set forth the circumstances ~~representing~~ representing the permitted basis for the filing of the substitute statement in lieu of the oath or declaration under subsection (a); and

" (C) contain any additional information, including any showing, required by the Director.

" (e) MAKING REQUIRED STATEMENTS IN ASSIGNMENT OF RECORD.—An individual who is under an obligation of assignment of an application for patent may ~~include~~ include the required statements under subsections (b) and (c) in the assignment executed by the individual, in lieu of filing such statements separately.

" “(f) TIME FOR FILING.—A notice of allowance under section 151 may be provided to an applicant for patent only if the applicant for patent has filed each required oath or declaration under subsection (a) or has filed a substitute statement under subsection (d) or recorded an assignment meeting the requirements of subsection (e).

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

" “(1) an oath or declaration meeting the requirements of subsection (a) was executed by the individual and was filed in connection with the earlier filed application;

" “(2) a substitute statement meeting the requirements of subsection (d) was filed in the earlier filed application with respect to the individual; or " “(3) an assignment meeting the requirements of subsection (e) was executed with respect to the earlier-filed application by the individual and was ~~recorded~~re-corded in connection with the earlier-filed application.

" “(h) SUPPLEMENTAL AND CORRECTED STATEMENTS; FILING ADDITIONAL STATEMENTS.—

" “(1) IN GENERAL.—~~A~~Any person making a statement ~~made~~required under this section may ~~be withdrawn, replaced~~withdraw, re-place, or otherwise ~~corrected~~correct the statement at any time. If a change is made in the naming of the inventor requiring the filing of 1 or more additional statements under this section, the

Director shall establish regulations under which such additional statements may be filed.

~~" "(2) SUPPLEMENTAL STATEMENTS NOT REQUIRED.—If an individual has executed an oath or declaration~~ under subsection

(a) or an assignment meeting the requirements of subsection (e) with respect to an application for patent, ~~no supplemental oath or declaration or further substitute~~the Director may not thereafter require that individual to make any additional oath, declaration, or other statement ~~shall thereafter be~~equivalent to those required by this section in connection with the application for patent or any patent issuing thereon.

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

(2) RELATIONSHIP TO DIVISIONAL APPLICATIONS.—Section 121 is amended by striking ~~" "If a~~3 divisional application~~" "~~ and all that follows through ~~" "inventor."~~" ".

(3) REQUIREMENTS FOR NONPROVISIONAL APPLICATIONS.—Section 111(a) is amended—

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

(B) in the heading for paragraph (3), by striking “AND OATH”; and

(C) by striking “and oath” each place it appears.

~~3~~(4) CONFORMING AMENDMENT.—The item relating to section 115 in the table of sections for chapter 10 is amended to read as follows:“

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

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

“§ 118. Filing by other than inventor

“A person to whom the inventor has assigned or is under an obligation to assign the invention may make an application for patent. A person who otherwise shows sufficient proprietary interest in the matter may make an application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is appropriate to preserve the rights of the parties. If the Director grants a patent on an application filed under this section by a person other than the inventor, the patent shall be granted to the real party in interest and upon such notice to the inventor as the Director considers to be sufficient.”

(c) SPECIFICATION.—Section 112 is amended—

(1) in the first paragraph—

(A) by striking “The specification” and inserting “(a) IN GENERAL.—The specification”;

(B) by striking “of carrying out his invention” and inserting “or joint inventor of carrying out the invention”; and

(2) in the second paragraph—

(A) by striking “The specifications” and inserting “(b) CONCLUSION.—The specifications”; and

(B) by striking “applicant regards as his invention” and inserting “inventor or a joint inventor regards as the invention”;

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

(4) in the fourth paragraph, by striking "“Subject to the following paragraph,”" and inserting "“(d) REFERENCE IN DEPENDENT FORMS.—Subject to subsection (e),”";

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

(6) in the last paragraph, by striking "“An element”" and inserting "“(f) ELEMENT IN CLAIM FOR A COMBINATION.—An element”".

~~SEC. 5. REMEDIES FOR INFRINGEMENT AND AFFIRMATIVE DEFENSES THERETO.~~

SEC. 5. RIGHT OF THE INVENTOR TO OBTAIN DAMAGES.

(a) DAMAGES.—Section 284 is amended ~~by~~—

(1) in the first paragraph—

(A) by striking "“Upon”" and inserting "“(a)

AWARD OF DAMAGES.—

“(1) IN GENERAL.—Upon”;

(B) by aligning the remaining text accordingly;

and

(~~B~~C) by adding at the end the following:

~~“(2) In determining a reasonable royalty consideration shall be given to—~~

~~“(A) the economic value that should be attributed to the novel and non-obvious feature or features of the invention, as distinguished from the economic value attributable to other features, improvements added by the infringer, and the~~

~~business risks the infringer undertook in commercialization;~~

“(2) RELATIONSHIP OF DAMAGES TO CONTRIBUTIONS OVER PRIOR ART.—The court shall conduct an analysis to ensure that a reasonable royalty under paragraph (1) is applied only to that economic value properly attributable to the patent’s specific contribution over the prior art. In a reasonable royalty analysis, the court shall identify all factors relevant to the determination of a reasonable royalty under this subsection, and the court or the jury, as the case may be, shall consider only those factors in making the determination. The court shall exclude from the analysis the economic value properly attributable to the prior art, and other features or improvements, whether or not themselves patented, that contribute economic value to the infringing product or process.

“(3) ENTIRE MARKET VALUE.—Unless the claimant shows that the patent’s specific contribution over the prior art is the predominant basis for market demand for an infringing product or process, damages may not be based upon the entire market value of that infringing product or process.

~~“(B) the terms of non-exclusive marketplace~~

“(4) OTHER FACTORS.— In determining damages, the court may also consider, or direct the jury to consider, the terms of any nonexclusive market-place licensing of the invention; ~~and “(C),~~ where appropriate, as well as any other relevant factors ~~in~~under applicable law.”;

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

" “(b) WILLFUL INFRINGEMENT .—

" “(1) INCREASED DAMAGES.—A court that has determined that the infringer has willfully infringed a patent or patents may increase the damages up to ~~3~~three times the amount of damages found or assessed under subsection (a), except that increased damages under this paragraph shall not apply to provisional rights under section 154(d).

" “(2) PERMITTED GROUNDS FOR ~~WILLFULNESS.—~~WILLFUL-NESS.— A court may find that an infringer has ~~willfully~~will-fully infringed a patent only if the patent owner presents clear and convincing evidence that—

~~“(A) the infringer, having received adequate~~ “(A) after receiving written notice from the patentee—

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

“(ii) identifying with particularity each claim of the patent, each product or process that the patent owner alleges in-fringes the patent, and the relationship of such product or process to such claim,

the infringer, after a reasonable opportunity to investigate, thereafter performed ~~1~~one or more of the alleged acts of infringement;

" "(B) the infringer intentionally copied the patented invention with knowledge that it was patented; or

" "(C) after having been found by a court to have infringed that patent, the infringer engaged in conduct that was not colorably different from the conduct previously found to have infringed the patent, and which resulted in a separate finding of infringement of the same patent.

~~"(3) WRITTEN NOTICE.—For purposes of paragraph (2), written notice shall be adequate only if such notice—~~

~~"(A) alleges acts of infringement in a manner sufficient to give the infringer an objectively reasonable apprehension of suit on such patent, and~~

~~"(B) identifies with particularity each claim of the patent, each product or process that the patent owner alleges infringes the patent, and the relationship of such product or process to such claim, the infringer.~~

~~"(4) "(3) LIMITATIONS ON WILLFULNESS.—"~~(A) ~~IN GENERAL.—~~A court ~~shall~~may not find that an infringer has willfully ~~infringed~~in-fringed a patent under paragraph (2) for any period of time during which the infringer had an informed good faith belief that the patent was invalid or unenforceable, or would not be infringed by the conduct later shown to constitute infringement of the patent.

~~"(B) INFORMED GOOD FAITH BELIEF.—For purposes of this paragraph, an~~

~~"(B) An informed good faith belief within the meaning of subparagraph (A) may be established by—~~

- " (i) reasonable reliance on advice of counsel;
- " (ii) evidence that the infringer sought to modify its conduct to avoid infringement once it had discovered the patent; or
- " (iii) other evidence a court may find sufficient to establish such good faith belief.

" (C) ~~EVIDENCE.~~—The decision of the infringer not to present evidence of advice of counsel ~~shall have no relevance~~is not relevant to a determination of willful infringement under paragraph (2).

" (54) LIMITATION ON PLEADING.— Before the date on which a ~~determination has been made~~court determines that the patent in suit is not invalid, is enforceable, and has been ~~infringed~~in-fringed by the infringer, a patentee may not plead; and a court may not determine; that an infringer has willfully infringed ~~the~~a patent. The court's determination of an infringer's willfulness shall be made ~~without~~with-out a jury."”; and

(3) in the third undesignated paragraph, by striking "”The court"” and inserting "”(c) EXPERT TESTIMONY.—The court"”.

(b) ~~ATTORNEY'S FEES.—Section 285 is amended to read:~~

~~"(a) The court shall award, to a prevailing party, fees and other expenses incurred by that party in connection with that proceeding, unless the court finds that the position of the non-prevailing party or parties was substantially justified or that special circumstances make an award unjust."~~

~~(e) UNENFORCEABILITY.—Section 282 of title 35, United States Code, is amended—~~

~~(1) by inserting "(a) IN GENERAL.—" before "A patent shall be presumed valid."; and~~

~~(2) by adding at the end the following:~~

~~"(b) UNENFORCEABILITY.—~~

~~"(1) PERMITTED GROUNDS FOR UNENFORCEABILITY.—A court may find that a patent is unenforceable only if the patent owner presents clear and convincing evidence that, with respect to the patent at issue the patentee, or a patentee's agent, or privy before issuance of the patent—~~

~~"(A) failed to disclose material information, or submitted false material information or statements; and~~

~~"(B) did so with an intent to mislead or deceive the United States Patent and Trademark Office.~~

~~"(2) LIMITATIONS ON UNENFORCEABILITY.—A court shall not find that a patent is unenforceable under paragraph (1) if—~~

~~"(A) the patentee, agent, or privy had an informed good faith belief that the specific information that was not disclosed was not material;~~

~~"(B) the patentee had no actual or constructive knowledge of the misconduct of an agent or privy, exercised due care in selecting and supervising such agent or privy, and reasonably relied on counsel in obtaining the patent;~~

~~"(C) establishes good faith by other evidence a court may find sufficient; or~~

~~"(D) the court has not determined 1 or more claims in the patent at issue in the action to be invalid.~~

~~"(3) LIMITATION ON PLEADING.—Before the date on which a determination has been made that the patent in suit is not invalid in whole and has been infringed by the infringer, a defendant may not plead, and a court may not determine, that the patent in question is unenforceable.".~~ (d) DEFENSE TO INFRINGEMENT

BASED ON EARLIER INVENTOR.—Section 273 of title 35, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "of a method"; and

(ii) by striking "review period;" and inserting "review period; and";

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

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

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "for a method"; and

(ii) by striking "at least 1 year before the effective filing date of such patent, and" and all that follows through the period and inserting "and commercially used, or made substantial preparations for commercial use of, the subject matter before the effective filing date of the claimed invention.";

(B) in paragraph (2)—

(i) by striking “The sale or other disposition of a useful end result produced by a patented method” and inserting “The sale or other disposition of subject matter that qualifies for the defense set forth in this section”; and

(ii) by striking “a defense under this section with respect to that useful end result” and inserting “such defense”; and

(C) in paragraph (3)—

(i) by striking subparagraph (A); and

(ii) by ~~re-designating~~redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(3) in paragraph (7), by striking “of the patent” and inserting “of the claimed invention”; and

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

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

(ec) TABLE OF SECTIONS.—The item ~~related~~relating to section 273 in the table of sections for chapter 28 is amended to read as follows:

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

~~(f) EFFECT OF EXTRATERRITORIAL INFRINGEMENT.—Section 271(f) is repealed.~~

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

SEC. 6. POST-GRANT PROCEDURES AND OTHER QUALITY ENHANCEMENTS.

(a) REEXAMINATION.—Section 303(a) is amended to read as follows:

“(a) Within 3 months after the owner of a patent files a request for reexamination under section 302, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On the Director’s own initiative, and at any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications discovered by the Director, is cited under section 301, or is cited by any person other than the owner of the patent under section 302 or section 311. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.”

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

(c) REEXAMINATION PROHIBITED AFTER DISTRICT COURT DECISION.—Section 317(b) is amended—

(1) in the subsection heading, by striking “FINAL DECISION” and inserting “DISTRICT COURT DECISION”; and

(2) by striking “Once a final decision has been entered” and inserting “Once the judgment of the district court has been entered”.

(d) EFFECTIVE DATES.—Notwithstanding any other provision of law, sections 311 through 318 of title 35, United States Code, as amended by this Act, shall apply to any patent that issues before, on, or after the date of enactment of this Act from an original application filed on any date.

(ae) POST-GRANT OPPOSITION PROCEDURES.—

(1) IN GENERAL.—~~Chapter 31~~ Part III is amended ~~to read as follows~~ by adding at the end the following new chapter:

"CHAPTER 3132—POST-GRANT REVIEW
PROCEEDINGS
PROCEDURES

"Sec.

~~"311."~~ "321. Petition for post-grant review.

~~"312."~~ "322. Timing and bases of petition.

~~"313. Submission"~~ "323. Requirements of petition.

~~"314."~~ "324. Prohibited filings.

~~"325. Submission of additional information; showing of sufficient grounds.~~

~~"315."~~ "326. Conduct of post-grant review proceedings.

~~"327. Patent owner response.~~

~~"316."~~ "328. Proof and evidentiary standards.

~~"317. Showing of sufficient grounds; institution of post-grant review proceedings.~~

~~"318."~~ "329. Amendment of the patent.

~~"319."~~ "330. Decision of the ~~Patent Trial and Appeal~~ Board.

~~"320."~~ "331. Effect of decision.

~~"321."~~ "332. Relationship to other pending proceedings.

~~"322."~~ "333. Effect of decisions rendered in civil action on future post-grant review proceedings.

~~"323."~~ "334. Effect of final decision on future proceedings.

~~"335. Appeal.~~

"§ 311.321. Petition for post-grant review

~~"Any person"~~ "Subject to sections 322, 324, 332, and 333, a person who is not the patent owner may file with the Office a petition for cancellation seeking to institute a post-grant review proceeding ~~before the Patent Trial and Appeal Board~~ to cancel as unpatentable any claim of a patent on any ground ~~which might~~ that could be raised under paragraph (2) or (3) of section 282 ~~(a) (2) and (3b)~~ (relating to invalidity of the patent or any claim). The Director shall establish, by regulation, fees to be paid by the person

requesting the proceeding, in such amounts as the Director determines to be reasonable.

"§ 312.322. Timing and bases of petition

" "A post-grant ~~review~~ proceeding may be instituted ~~only if~~ under this chapter pursuant to a cancellation petition filed under section 321 only if—

“(1) the petition ~~for cancellation~~ is filed ~~by a cancellation petitioner—~~(1) not later than 12 months after the ~~date~~grant of the patent ~~was issued or reissued; or~~ or issuance of a reissue patent, as the case may be;

" "(2) ~~who~~(A) the petitioner establishes a substantial reason to believe that the continued existence of the challenged claim in the petition causes or is likely to cause the petitioner significant economic harm; or

“(B) the petitioner has received notice from the patent holder alleging infringement by the petitioner of the patent; or

“(3) the patent owner consents in writing to the proceeding.

"§ 313. Submission "§ 323. Requirements of petition

"The ~~petition for~~ "A cancellation ~~shall~~petition filed under section 321 may be considered only if—

" "(1) ~~be~~the petition is accompanied by payment of the ~~post-grant review fee set forth in subsection 41(a)~~fee established by the Director under section 321;

" "(2) ~~identify~~the petition identifies the cancellation petitioner; and

" "(3) ~~set~~the petition sets forth in writing the basis for the cancellation, identifying each claim challenged and providing such information as the Director may require by regulation, and includes copies of patents

and printed publications that the cancellation petitioner relies upon in support of the petition; and

“(4) the petitioner provides copies of those documents to the patent owner or, if applicable, the designated representative of the patent owner.

” “§ 314.324. Prohibited filings

”No “A post-grant review proceeding ~~shall~~may not be instituted—

~~“(1) under subsection (a) of section 312 if the petition for cancellation identifies the same cancellation petitioner and the same patent as a previous petition for cancellation filed under subsection (a) of section 312; or~~
~~”(2) under subsection (b) of section 312~~ under paragraph (1), (2), or (3) of section 322 if the petition for cancellation requesting the proceeding identifies the same cancellation petitioner and the same patent as a previous petition for cancellation filed under ~~subsection (b) of section 312.~~the same paragraph of section 322.

“§ 325. Submission of additional information; showing of sufficient grounds

“The cancellation petitioner shall file such additional information with respect to the petition as the Director may require. The Director may not authorize a post-grant review proceeding to commence unless the Director determines ~~that the information presented provides sufficient grounds to proceed.~~

” “§ 315.326. Conduct of post-grant review proceedings

” “(a) IN GENERAL.—The Director shall—

” “(1) establish~~prescribe~~ regulations, in accordance with section 2(b)(2), ~~to govern~~establishing and governing post-grant review proceedings under this

chapter and their relationship to other proceedings under this title;

~~"~~ "(2) prescribe regulations setting forth the standards for showings of substantial reason to believe and significant economic harm under section ~~312322(b2)~~ and sufficient grounds ~~in section 317;~~ and under section 325;

"(3) prescribe regulations establishing procedures for the submission of supplemental information after the petition for cancellation is filed; and

~~"~~ "(34) prescribe regulations setting forth procedures for discovery of relevant evidence, including that such discovery shall be limited to evidence directly related to factual assertions advanced by either party in the proceeding, and the procedures for obtaining such evidence shall be consistent with the purpose and nature of the proceeding.

~~"~~ "(b) POST-GRANT REGULATIONS.—Regulations under subsection (a)(1)—

~~"(1) shall be designed to result in a final decision on a petition for cancellation within 12 months of the institution of~~ "(1) shall require that the final determination in a post-grant proceeding issue not later than one year after the date on which the post-grant review proceeding; ~~"~~ is instituted under this chapter, except that, for good cause shown, the Director may extend the 1-year period by not more than six months;

"(2) shall provide for discovery upon order of the ~~Board~~ Director;

" “(3) ~~may~~shall prescribe sanctions for abuse of discovery ~~or abuse of process to the extent authorized in United States district courts by rule 11 and rule 37 of the Federal Rules of Civil Procedure,~~ abuse of process, or any other improper use of the proceeding, such as harass or to cause unnecessary delay or unnecessary increase in the cost of the proceeding;

" “(4) may provide for protective orders governing the exchange and submission of confidential information; and

" “(5) shall ensure that any information submitted by the patent owner in support of any amendment entered under section ~~318 shall be~~328 is made ~~available~~avail-able to the public as part of the prosecution history of the patent.

" “(c) CONSIDERATIONS.—In prescribing regulations under this section, the Director shall ~~take into consideration~~consider the effect on the economy, the integrity of the patent system, and the efficient administration of the Office.

“(d) CONDUCT OF PROCEEDING.—The Patent Trial and Appeal Board shall, in accordance with section 6(b), conduct each post-grant review proceeding authorized by the Director.

“§ 327. Patent owner response

“After a post-grant proceeding under this chapter has been instituted with respect to a patent, the patent owner shall have the right to file, within a time period set by the Director, a response to the cancellation petition. The patent owner shall file with the response, through affidavits or declarations, any

additional factual evidence and expert opinions on which the patent owner relies in support of the response.

" § 316.328. Proof and evidentiary standards

" (a) IN GENERAL.—The presumption of validity set forth in section 282 shall not apply in a challenge to any patent claim under this chapter.

" (b) BURDEN OF PROOF.—The party advancing a proposition under this chapter shall have the burden of proving that proposition by a preponderance of the evidence.

~~"§ 317. Showing of sufficient grounds; institution of post-grant review proceedings~~

~~"Within such time as may be prescribed by regulation, the cancellation petitioner shall file any information known to it that supports its allegation of the unpatentability of any challenged claim. The Patent Trial and Appeal Board shall not institute a post-grant review proceeding unless it determines that the information presented provides sufficient grounds to proceed. If the Patent Trial and Appeal Board does not institute a post-grant review proceeding under this section then the cancellation petitioner may not assert the same grounds against the same claims in any other proceeding within the Office.~~

" § 318.329. Amendment of the patent

" (a) IN GENERAL.—In response to a challenge in a petition for cancellation, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

" (1) Cancel any challenged patent claim.

" (2) For each challenged claim, propose a substitute claim ~~that includes all the limitations of the challenged claim.~~

" (3) Amend the patent drawings or otherwise amend the patent other than the claims.

" “(b) ADDITIONAL MOTIONS.—Additional motions to amend may be permitted only for good cause shown.

" “(c) SCOPE OF CLAIMS.—~~No~~An amendment ~~shall~~under this section may not enlarge the scope of the claims of the patent.~~No amendment shall or~~ introduce new matter.

" “§ 319.330. Decision of the Patent Trial and Appeal Board

" “(If the post-grant review proceeding is instituted under section 317 and not dismissed under section 320 or subsection (b) of section 323,this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged and any new claim added under ~~this~~ section ~~318.329~~.

" “§ 320.331. Effect of decision

" “(a) IN GENERAL.—~~Where a final decision of~~If the Patent Trial and Appeal Board ~~is issued~~issues a final decision under section ~~319~~330 and the time for appeal has expired or any appeal proceeding has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable and incorporating in the patent by operation of the certificate any new claim determined to be patentable.

" “(b) NEW CLAIMS.—Any new claim held to be patentable and incorporated into a patent in a post-grant review proceeding shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, offered to sell, or used within the United States, or imported into the United States, anything patented by such new claim, or who made substantial preparations therefore, prior to issuance of a certificate under ~~the provisions of~~ subsection (a) of this section.

§ 321.332. Relationship to other pending proceedings

“Notwithstanding subsection 135(a), sections 251 and 252, and chapter 30, the Director may determine the manner in which any reexamination proceeding, reissue proceeding, interference proceeding, ~~or post-grant review~~ (commenced before the effective date of the Patent Reform Act of 2007), derivation proceeding, or post-grant review proceeding, that is pending during a post-grant review proceeding, may proceed, including providing for stay, transfer, consolidation, or termination of any such proceedings ~~proceeding~~.

§ 322.333. Effect of decisions rendered in civil action on future post-grant review proceedings

“If a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28 establishing that the party has not sustained its burden of proving the invalidity of any patent claim—

“(1) that party to the civil action and the privies of that party may not thereafter request a post-grant review proceeding on ~~such~~ that patent claim on the basis of any grounds, under the provisions of section 311, which that party or the privies of that party raised or ~~could have raised in such civil action~~ had actual knowledge of; and

“(2) the ~~Office~~ Director may not thereafter maintain a post-grant review proceeding previously requested by that party or the privies of that party on the basis of such grounds.

§ 323.334. Effect of final decision on future proceedings

“(a) IN GENERAL.—If a final decision under section ~~319~~ 330 is favorable to the patentability of any original or

new claim of the patent challenged by the cancellation petitioner, the cancellation petitioner may not thereafter, based on any ground which the cancellation petitioner raised during the post-grant review proceeding—

" "(1) request or pursue a reexamination of such ~~claims~~claim under chapter 31;

" "(2) request or pursue ~~an interference of such claims~~a derivation proceeding with respect to such claim;

" "(3) request or pursue a post-grant review proceeding ~~of~~under this chapter with respect to such ~~claims~~claim; or

" "(4) assert the invalidity of any such ~~claims~~claim, in any civil action arising in whole or in part under section 1338 of title 28.

" "(b) EXTENSION OF PROHIBITION.—If the final decision is the result of a petition for cancellation ~~under~~filed on the basis of paragraph (2) of section ~~312(b),322,~~ the prohibition under this section shall extend to any ground which the cancellation petitioner raised ~~or could have raised~~ during the post-grant review proceeding."

"§ 335. Appeal

"A party dissatisfied with the final determination of the Patent Trial and Appeal Board in a post-grant proceeding under this chapter may appeal the determination under sections 141 through 144. Any party to the post-grant proceeding shall have the right to be a party to the appeal."

(b) ~~TECHNICAL~~ AND (f) CONFORMING AMENDMENT.—The table of chapters for part III is amended ~~to read as follows~~by adding at the end the following:

~~"31. Post grant review proceedings."~~

“32. Post-Grant Review Proceedings

.....321”.

(g) REGULATIONS AND EFFECTIVE DATE.—

(1) REGULATIONS.—The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (in this subsection referred to as the “Director”) shall, not later than the date that is 1 year after the date of the enactment of this Act, issue regulations to carry out chapter 32 of title 35, United States Code, as added by subsection (e) of this section

(2) APPLICABILITY .— The amendments made by subsection (e) shall take effect on the date that is 1 year after the date of the enactment of this Act and shall apply to patents issued before, on, or after that date, except that, in the case of a patent issued before that date, a petition for cancellation under section 321 of title 35, United States Code, may be filed only if a circumstance described in paragraph (2), (3), or (4) of section 322 of title 35, United States Code, applies to the petition.

(3) PENDING INTERFERENCES. — The Director shall determine the procedures under which interferences commenced before the effective date under paragraph (2) are to proceed, including whether any such interference is to be dismissed without prejudice to the filing of a cancellation petition for a post-grant opposition proceeding under chapter 32 of title 35, United States Code, or is to proceed as if this Act had not been enacted. The Director shall include such procedures in regulations issued under paragraph (1).

~~SEC. 7. SUBMISSIONS BY THIRD PARTIES AND OTHER~~
~~SEC. 7. DEFINITIONS; PATENT TRIAL AND APPEAL BOARD.~~
~~QUALITY ENHANCEMENTS.~~

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

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

~~(2) in subparagraph (A)—~~

~~(A) by striking "(A) An application" and
inserting "An application"; and~~

~~(B) by re-designating clauses (i) through (iv)
as subparagraphs (A) through (D), respectively.~~

~~(b) REEXAMINATION.— Subsection 303(a) is amended
to read as follows:~~

~~"(a) Within 3 months following the filing of a request for
reexamination under the provisions of section 302, by the owner of
the patent, the Director shall determine whether a substantial new
question of patentability affecting any claim of the patent
concerned is raised by the request, with or without consideration of
other patents or printed publications. On his own initiative, and at
any time, the Director may determine whether a substantial new
question of patentability is raised by patents and publications
discovered by him, cited under the provisions of section 301, or
cited by any person other than the owner of the patent under the
provisions of section 302 or section 311. The existence of a
substantial new question of patentability is not precluded by the
fact that a patent or printed publication was previously cited by or
to the Office or considered by the Office."~~

~~(c) PRE-ISSUANCE SUBMISSIONS BY THIRD
PARTIES.— Section 122 is amended by adding at the end the~~

following:

~~"(e) PRE-ISSUANCE SUBMISSIONS BY THIRD PARTIES.—~~

~~"(1) IN GENERAL.—Any person may submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other publication of potential relevance to the examination of the application, if such submission is made in writing before the earlier of—~~

~~"(A) the date a notice of allowance under section 151 is mailed in the application for patent; or~~

~~"(B) either—~~

~~"(i) 6 months after the date on which the application for patent is published under section 122; or~~

~~"(ii) the date of the first rejection under section 132 of any claim by the examiner during the examination of the application for patent, whichever occurs later.~~

~~"(2) OTHER REQUIREMENTS.—Any submission under paragraph (1) shall—~~

~~"(A) set forth a concise description of the asserted relevance of each submitted document;~~

~~"(B) be accompanied by such fee as the Director may prescribe; and~~

~~"(C) include a statement by the submitter affirming that the submission was made in compliance with this section."~~

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

~~SEC. 8. VENUE AND JURISDICTION.~~

~~(a) VENUE FOR PATENT CASES.— Section 1400 of title 28, United States Code, is amended by striking subsection (b) and inserting the following:~~

~~"(b) Any civil action arising under any Act of Congress relating to patents, other than an action for declaratory judgment or an action seeking review of a decision of the Patent Trial and Appeal Board under chapter 13 of title 35, may be brought only—~~

~~"(1) in the judicial district where either party resides; or~~

~~"(2) in the judicial district where the defendant has committed acts of infringement and has a regular and established place of business.~~

~~"(c) Notwithstanding section 1391(c) of this title, for purposes of venue under subsection (b), a corporation shall be deemed to reside in the judicial district in which the corporation has its principal place of business or in the State in which the corporation is incorporated."~~

~~(b) INTERLOCUTORY APPEALS.— Subsection (c)(2) of section 1292 of title 28, United States Code, is amended by adding at the end:~~

~~"(3) of an appeal from an interlocutory order or decree determining construction of claims in a civil action for patent infringement under section 271 of title 35.~~

~~"(A) Application for an appeal hereunder shall be made to the court within 10 days after entry of the order or decree.~~

~~"(B) Proceedings in the district court shall be stayed during pendency of the appeal."~~

~~SEC. 9. OTHER STATUTORY AND CONFORMING AMENDMENTS.~~

~~(a) FEES.—Section 41(a) of title 35, United States Code is amended—~~

~~(1) by re-designating paragraphs (8), (9), (10), (11), (12), (13), (14), and (15) as paragraphs (10), (11), (12), (13), (14), (15), (16), and (17) respectively; and~~

~~(2) by inserting after paragraph (7) the following:~~

~~"(8) On filing a petition for cancellation under subsection (a) of section 312, a fee established by the Director to recover 1/ the estimated average cost to the Office of a post-grant review proceeding.~~

~~"(9) On filing a petition for cancellation under subsection (b) of section 312, a fee established by the Director to recover the estimated average cost to the Office of a post-grant review proceeding."~~

~~(b) DEFINITIONS. — Section 100 (as amended by this Act) is further amended—~~

~~(1) in subsection (e), by striking "or inter partes reexamination under section 311"";~~

~~(2) by inserting adding at the end the following:~~

” “(k) The term ‘cancellation petitioner’ means the real party in interest requesting cancellation of any claim of a patent under chapter 31 of this title and the privies of the real party in interest.”

~~(e)~~ PATENT TRIAL AND APPEAL BOARD.—~~(1)~~

Section 6 is amended to read as follows:

” “§ 6. Patent Trial and Appeal Board

” “(a) ESTABLISHMENT AND COMPOSITION.—There shall be in the Office a Patent Trial and Appeal Board. The Director, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges shall constitute the Patent Trial and Appeal Board. The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Director. Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to the Board of Patent Appeals and Interferences is deemed to refer to the Patent Trial and Appeal Board.

” “(b) DUTIES.—The Patent Trial and Appeal Board shall,”

“(1) on written appeal of an applicant, review adverse decisions of examiners upon application for patents; ~~shall~~

“(2) on written appeal of a patent owner, ~~review~~re-view adverse decisions of examiners upon patents in reexamination proceedings under chapter 30; ~~shall~~and

“(3) determine priority and patentability of invention in ~~inventor’s rights contests declared~~derivation proceedings under subsection 135(a); and ~~shall preside over~~

“(4) conduct post-grant ~~review~~ opposition proceedings

under chapter ~~31-~~32.

Each appeal, ~~inventor’s rights contest, and post-grant review and derivation~~ proceeding shall be heard by at least 3 members of the Patent Trial and Appeal Board, who shall be designated by the Director. Only the Patent Trial and Appeal Board may grant ~~re-hearings.~~”

~~(2) Title 35, United States Code, is amended by striking "Board of Patent Appeals" each place it appears and inserting in its place "Patent Trial and Appeal Board".~~

~~(d) AUTHORITY OF PANELS OF ADMINISTRATIVE PATENT JUDGES.—Section 6 (as amended by this section) is further amended by adding at the end the following: "(e) ADDITIONAL RESPONSIBILITIES OF ADMINISTRATIVE PATENT JUDGES.—Panels of ~~rehearings.~~ The Director shall assign each post-grant review proceeding to a panel of 3 administrative patent judges, ~~once.~~ Once assigned ~~by the Director,~~ each such panel of administrative patent judges shall have the responsibilities under chapter 32 in connection with post-grant ~~opposition~~ review proceedings."~~”

SEC. 8. STUDY AND REPORT ON REEXAMINATION PROCEEDINGS.

The Under Secretary of Commerce for Intellectual Property and Director of the Patent and Trademark Office shall, not later than 3 years after the date of the enactment of this Act—

(1) conduct a study of the effectiveness and efficiency of the different forms of proceedings available under title 35, United States Code, for the re-examination of patents; and

(2) submit to the Committees on the Judiciary of the House of Representatives and the Senate a report on the results of the study, including any of the Director's suggestions for amending the law, and any other recommendations the Director has with respect to patent reexamination proceedings.

SEC. 9. SUBMISSIONS BY THIRD PARTIES AND OTHER QUALITY ENHANCEMENTS.

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

(1) by striking subparagraph (B); and

(2) in subparagraph (A)—

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

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(b) PREISSUANCE SUBMISSIONS BY THIRD PARTIES.—Section 122 is amended by adding at the end the following:

“(e) PREISSUANCE SUBMISSIONS BY THIRD PARTIES.—

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

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

“(B) either—

“(i) 6 months after the date on which the application for patent is published under section 122, or

“(ii) the date of the first rejection under section 132 of any claim by the examiner during the examination of the application for patent, whichever occurs later.

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

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

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

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

SEC. 10. VENUE AND JURISDICTION.

(a) VENUE FOR PATENT CASES.— Section 1400 of title 28, United States Code, is amended by striking sub-section (b) and inserting the following:

“(b) Any civil action arising under any Act of Congress relating to patents, other than an action for declaratory judgment or an action seeking review of a decision of the Patent Trial and Appeal Board under chapter 13 of title 35, may be brought only—

“(1) in the judicial district where either party resides; or

“(2) in the judicial district where the defendant has committed acts of infringement and has a regular and established place of business.

“(c) Notwithstanding section 1391(c) of this title, for purposes of venue under subsection (b), a corporation shall be deemed to reside in the judicial district in which the corporation has its principal place of business or in the State in which the corporation is incorporated.”

(b) INTERLOCUTORY APPEALS.—Subsection (c)(2) of section 1292 of title 28, United States Code, is amended by adding at the end the following:

“(3) of an appeal from an interlocutory order or decree determining construction of claims in a civil action for patent infringement under section 271 of title 35.

Application for an appeal under paragraph (3) shall be made to the court within 10 days after entry of the order or decree, and proceedings in the district court under such paragraph shall be stayed during pendency of the appeal.”

~~(e)~~ —RULEMAKING SEC. 11. REGULATORY AUTHORITY.—

Section 3(a) is amended by adding at the end the following:

~~“(5) RULEMAKING REGULATORY AUTHORITY.—~~

In addition to the authority conferred by other provisions of this title, the Director may promulgate such rules, regulations, and orders ~~as~~that the Director determines appropriate to carry out the provisions of this title or any other law applicable to the United States Patent and Trademark Office or that the Director ~~determines~~deter-
mines necessary to govern the operation and organization of the Office.””

~~(f) REEXAMINATION.—~~

~~(1) Section 304 is amended by striking the final 3 sentences.~~

~~(2) Section 305 is amended by striking, in the first sentence, "and reply" and also striking "have" and inserting "has" in its place.~~

~~(3) Section 315(c) is amended by striking "or could have raised".~~

~~(4) Section 4607 of the Intellectual Property and Communications Omnibus Reform Act of 1999, as enacted by section 1000(a)(9) of Public Law 106-113, is repealed.~~

~~(g) APPEAL TO THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT.—~~

~~(1) IN GENERAL.—Section 141 is amended to read as follows:~~

~~**"§ 141. Appeal to the Court of Appeals for the Federal Circuit**~~

~~"(a) EXAMINATIONS.—An applicant dissatisfied with the final decision in an appeal to the Patent Trial and Appeal Board under section 134 may appeal the decision to the United States Court of Appeals for the Federal Circuit. By filing such an appeal, the applicant waives his right to proceed under section 145.~~

~~"(b) REEXAMINATIONS.—A patent owner in any reexamination proceeding who is dissatisfied with the final decision in an appeal to the Patent Trial and Appeal Board under section 134 may appeal the decision to the United States Court of Appeals for the Federal Circuit.~~

~~"(c) INVENTOR'S RIGHTS CONTEST.—A party to an inventor's rights contest dissatisfied with the final decision of the~~

~~Patent Trial and Appeal Board on the interference may appeal the decision to the United States Court of Appeals for the Federal Circuit.~~

~~"(d) POST-GRANT REVIEW.—A party to a post-grant review proceeding dissatisfied with the final decision of the Patent Trial and Appeal Board under section 319 may appeal the decision only to the United States Court of Appeals for the Federal Circuit. Any decision of the Patent Trial and Appeal Board under subsection 312(b) or section 317 shall be final and non-appealable. A decision by the Board under section 320 not to issue a final decision under subsection 319 as a result of settlement shall also be final and non-appealable."~~

~~(2) CERTAIN APPEALS.—Subsection 1295(a)(4)(A) of title 28, United States Code, is amended to read as follows:~~

~~"(A) the Patent Trial and Appeal Board of the United States Patent and Trademark Office with respect to patent applications, reexaminations, and inventor's rights contests, at the instance of an applicant for a patent or any party to a patent interference, reexamination, or post-grant review proceeding, and any such appeal shall waive any right of such applicant or party to proceed under section 145 or 146 of title 35;"~~

SEC. 12. TECHNICAL AMENDMENTS.

(a) JOINT INVENTIONS.—Section 116 is amended—

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

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

_____ (3) in the third paragraph, by striking “Whenever” and inserting “(c) CORRECTION OF ERRORS IN APPLICATION.—Whenever”.

_____ (b) FILING OF APPLICATION IN FOREIGN COUNTRY.—Section 184 is amended—

_____ (1) in the first paragraph, by striking “Except when” and inserting “(a) FILING IN FOREIGN COUNTRY.—Except when”;

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

_____ (3) in the third paragraph, by striking “The scope” and inserting “(c) SUBSEQUENT MODIFICATIONS, AMENDMENTS, AND SUPPLEMENTS.—The scope”.

_____ (c) REISSUE OF DEFECTIVE PATENTS.—Section 251 is amended—

_____ (1) in the first paragraph, by striking “Whenever” and inserting “(a) IN GENERAL.—Whenever”;

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

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

_____ (4) in the last paragraph, by striking “No reissued patent” and inserting “(d) REISSUE PATENT ENLARGING SCOPE OF CLAIMS.—No reissued patent”.

_____ (d) EFFECT OF REISSUE.—Section 253 is amended—

(1) in the first paragraph, by striking “Whenever” and inserting “(a) IN GENERAL.—Whenever”;
and

(2) in the second paragraph, by striking “in like manner” and inserting “(b) ADDITIONAL DISCLAIMER OR DEDICATION.—In the manner set forth in subsection (a).”

(e) CORRECTION OF NAMED INVENTOR.—Section 256 is amended—

(1) in the first paragraph, by striking “Whenever” and inserting “(a) CORRECTION.—Whenever”;
and

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

(f) PRESUMPTION OF VALIDITY.—Section 282 is amended—

(1) in the first undesignated paragraph, by striking “A patent” and inserting “(a) IN GENERAL.—A patent”;

(2) in the second undesignated paragraph, by striking “The following” and inserting “(b) DEFENSES.—The following”; and

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

SEC. ~~10-13~~ EFFECTIVE DATE; RULE OF CONSTRUCTION.

(a) EFFECTIVE DATE.—Except as otherwise provided in this Act, the provisions of this Act shall take effect 12

months after the date of the enactment of this Act and shall apply to any patent issued on or after that effective date.

(b) CONTINUITY OF INTENT UNDER THE CREATE ACT.—The enactment of section 102(b)(3) of title 35, United States Code, under section (3)(b) of this Act is done with the same intent to promote joint research activities that was expressed, including in the legislative history, through the enactment of the Cooperative Research and Technology Enhancement Act of 2004 (Public Law 108-453; the “CREATE Act”), the amendments of which are stricken by section 3(c) of this Act. The United States Patent and Trademark Office shall administer section 102(b)(3) of title 35, United States Code, in a manner consistent with the legislative history of the CREATE Act that was relevant to its administration by the Patent and Trademark Office.

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Legend:	
<u>Insertion</u>	
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Padding cell	

Statistics:	
	Count
Insertions	637
Deletions	600
Moved from	49
Moved to	49
Style change	0
Format changed	0
Total changes	1335