

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MR. SCHIFF OF CALIFORNIA**

Page 58, strike lines 1 through 20 and insert the following:

1 “(1) DEFENSE.—A patent may be held to be
2 unenforceable, or other remedy imposed under para-
3 graph (3), for inequitable conduct only if it is estab-
4 lished, by clear and convincing evidence, that—

5 “(A) the patentee, its agents, or another
6 person with a duty of disclosure to the Office,
7 with the intent to mislead or deceive the patent
8 examiner, misrepresented or failed to disclose
9 material information concerning a matter or
10 proceeding before the Office; and

11 “(B) in the absence of such deception, the
12 Office, acting reasonably, would, on the record
13 before it, have made a prima facie finding of
14 unpatentability.

Page 58, line 21, strike “(B)” and insert “(2)” and
adjust the margins accordingly.

Page 59, insert the following after line 7:

- 1 “(3) REMEDY.—Upon a finding of inequitable
2 conduct, the court shall balance the equities to de-
3 termine which of the following remedies to impose:
4 “(A) Denying equitable relief to the patent
5 holder and limiting the remedy for infringement
6 to damages.
7 “(B) Holding the claims-in-suit, or the
8 claims in which inequitable conduct occurred,
9 unenforceable.
10 “(C) Holding the patent unenforceable.
11 “(D) Holding the claims of a related pat-
12 ent unenforceable.”.

Page 59, line 8, strike “(3)” and insert “(4)”.

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MS. ZOE LOFGREN OF CALIFORNIA,
MR. SMITH OF TEXAS, MR. CANNON OF
UTAH, AND MR. DAVIS OF ALABAMA**

Page 52, strike line 17 and all that follows through page 53, line 8 and insert the following:

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

4 “(b) Notwithstanding section 1391 of this title, in
5 any civil action arising under any Act of Congress relating
6 to patents, a party shall not manufacture venue by assign-
7 ment, incorporation, or otherwise to invoke the venue of
8 a specific district court.

9 “(c) Notwithstanding section 1391 of this title, any
10 civil action for patent infringement or any action for de-
11 claratory judgment may be brought only in a judicial dis-
12 trict—

13 “(1) where the defendant has its principal place
14 of business or in the location or place in which the
15 defendant is incorporated, or, for foreign corpora-
16 tions with a United States subsidiary, where the de-

1 defendant's primary United States subsidiary has its
2 principal place of business or in the location or place
3 in which the defendant's primary United States sub-
4 sidiary is incorporated;

5 "(2) where the defendant has committed a sub-
6 stantial portion of the acts of infringement and has
7 a regular and established physical facility that the
8 defendant controls and that constitutes a substantial
9 portion of the operations of the defendant;

10 "(3) where the primary plaintiff resides, if the
11 primary plaintiff in the action is an institution of
12 higher education as defined under section 101(a) of
13 the Higher Education Act of 1965 (20 U.S.C.
14 1001(a)); or

15 "(4) where the plaintiff resides, if the plaintiff
16 or a subsidiary of the plaintiff has an established
17 physical facility in such district dedicated to re-
18 search, development, or manufacturing that is oper-
19 ated by full-time employees of the plaintiff or such
20 subsidiary, or if the sole plaintiff in the action is an
21 individual inventor who is a natural person and who
22 qualifies at the time such action is filed as a micro
23 entity under section 124 of title 35, United States
24 Code.

1 “(d) If the plaintiff brings a civil action for patent
2 infringement in a judicial district under subsection (c), the
3 district court may transfer that action to any other district
4 or division where —

5 “(1) the (defendant) has substantial evidence or
6 witnesses; and

7 “(2) venue would be appropriate under section
8 1391 of this title, if such transfer would be appro-
9 priate under section 1404 of this title.”.



**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MR. PENCE OF INDIANA**

Page 60, insert the following after line 4 and redesignate succeeding sections accordingly:

1 SEC. 12. BEST MODE REQUIREMENT.

2 Section 282(b) (as designated by section 11 of this
3 Act) is amended by striking paragraph (3) and inserting
4 the following:

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

7 “(A) any requirement of section 112 of
8 this title other than the requirement that the
9 specification shall set forth the best mode con-
10 templated by the inventor of carrying out his
11 invention, or

12 “(B) any requirement of section 251 of
13 this title.”

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MS. JACKSON-LEE OF TEXAS**

Page 30, insert the following after line 25:

1 (e) REVIEW EVERY 7 YEARS.—Not later than the
2 end of the 7-year period beginning on the date of the en-
3 actment of this Act, and the end of every 7-year period
4 thereafter, the Under Secretary for Intellectual Property
5 and Director of the United States Patent and Trademark
6 Office shall—

7 (1) conduct a study on the effectiveness and ef-
8 ficiency of the amendments made by this section;
9 and

10 (2) submit to the Committees on the Judiciary
11 of the House of Representatives and the Senate a
12 report on the results of the study, including any rec-
13 ommendations the Director has on amendments to
14 the law and any other recommendations the Director
15 has with respect to the right of the inventor to ob-
16 tain damages for patent infringement.

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MS. JACKSON-LEE OF TEXAS**

Page 16, insert the following after line 11:

1 (1) REVIEW EVERY 7 YEARS.—Not later than the end
2 of the 7-year period beginning on the effective date under
3 subsection (k), and the end of every 7-year period there-
4 after, the Under Secretary for Intellectual Property and
5 Director of the United States Patent and Trademark Of-
6 fice shall—

7 (1) conduct a study on the effectiveness and ef-
8 ficiency of the amendments made by this section;
9 and

10 (2) submit to the Committees on the Judiciary
11 of the House of Representatives and the Senate a
12 report on the results of the study, including any rec-
13 ommendations the Director has on amendments to
14 the law and any other recommendations the Director
15 has with respect to the first-to-file system imple-
16 mented under the amendments made by this section.

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MR. JOHNSON OF GEORGIA AND MR.
FEENEY OF FLORIDA**

Page 24, beginning on line 12, strike "the requirements of paragraphs (2) through (5)." and insert "this subsection. Based on the facts of the case, the court shall determine whether paragraph (2), (3), or (5) will be used by the court or the jury in calculating a reasonable royalty."

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1908
OFFERED BY MR. BOUCHER OF VIRGINIA**

Page 52, insert the following after line 15 and redesignate succeeding sections accordingly:

1 SEC. 10. TAX PLANNING METHODS NOT PATENTABLE.

2 (a) IN GENERAL.—Section 101 is amended—

3 (1) by striking “Whoever” and inserting “(a)

4 PATENTABLE INVENTIONS.—Whoever”; and

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

6 “(b) TAX PLANNING METHODS.—

7 “(1) UNPATENTABLE SUBJECT MATTER.—A

8 patent may not be obtained for a tax planning meth-

9 od.

10 “(2) DEFINITIONS.—For purposes of paragraph

11 (1)—

12 “(A) the term ‘tax planning method’

13 means a plan, strategy, technique, or scheme

14 that is designed to reduce, minimize, or defer,

15 or has, when implemented, the effect of reduc-

16 ing, minimizing or deferring, a taxpayer’s tax li-

17 ability, but does not include the use of tax prep-

18 aration software or other tools used solely to

1 perform or model mathematical calculations or
2 prepare tax or information returns;

3 “(B) the term ‘taxpayer’ means an indi-
4 vidual, entity, or other person (as defined in
5 section 7701 of the Internal Revenue Code of
6 1986) that is subject to taxation directly, is re-
7 quired to prepare a tax return or information
8 statement to enable one or more other persons
9 to determine their tax liability, or is otherwise
10 subject to a tax law; and

11 “(C) the terms ‘tax’, ‘tax laws’, ‘tax liabil-
12 ity’, and ‘taxation’ refer to any Federal, State
13 (as defined in subsection (c)(2)(G)), county,
14 city, municipality, or other governmental levy,
15 assessment, or imposition, whether measured by
16 income, value, or otherwise.”.

17 (b) APPLICABILITY.—The amendments made by this
18 section—

19 (1) shall take effect on the date of the enact-
20 ment of this Act;

21 (2) shall apply to any application for patent or
22 application for a reissue patent that is—

23 (A) filed on or after the date of the enact-
24 ment of this Act; or

1 (B) filed before that date if a patent or re-
2 issue patent has not been issued pursuant to
3 the application as of that date; and

4 (3) shall not be construed as validating any pat-
5 ent issued before the date of the enactment of this
6 Act for an invention described in section 101(b) of
7 title 35, United States Code, as amended by this
8 section.