

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To clarify procedures relating to derivation proceedings.

**IN THE SENATE OF THE UNITED STATES—110th Cong., 2d Sess.**

**S. 1145**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. LEAHY

Viz:

1 On page 59, line 6, strike “135(a)” and insert “135”.

2 On page 61, line 8, after the first period and before  
3 the quotation mark, insert the following:

4 “(b) SETTLEMENT.—Parties to a derivation pro-  
5 ceeding may terminate the proceeding by filing a written  
6 statement reflecting the agreement of the parties as to the  
7 correct inventors of the claimed invention in dispute. Un-  
8 less the Patent Trial and Appeal Board finds the agree-  
9 ment to be inconsistent with the evidence of record, it shall

1 take action consistent with the agreement. Any written  
2 settlement or understanding of the parties shall be filed  
3 with the Director. At the request of a party to the pro-  
4 ceeding, the agreement or understanding shall be treated  
5 as business confidential information, shall be kept sepa-  
6 rate from the file of the involved patents or applications,  
7 and shall be made available only to Government agencies  
8 on written request, or to any person on a showing of good  
9 cause.

10       “(c) ARBITRATION.—Parties to a derivation pro-  
11 ceeding, within such time as may be specified by the Di-  
12 rector by regulation, may determine such contest or any  
13 aspect thereof by arbitration. Such arbitration shall be  
14 governed by the provisions of title 9 to the extent such  
15 title is not inconsistent with this section. The parties shall  
16 give notice of any arbitration award to the Director, and  
17 such award shall, as between the parties to the arbitration,  
18 be dispositive of the issues to which it relates. The arbitra-  
19 tion award shall be unenforceable until such notice is  
20 given. Nothing in this subsection shall preclude the Direc-  
21 tor from determining patentability of the invention in-  
22 volved in the derivation proceeding.