

.....  
(Original Signature of Member)

109TH CONGRESS  
1ST SESSION

# H. R. \_\_\_\_\_

To amend title 35, United States Code, relating to the procurement, enforcement, and validity of patents.

---

## IN THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Texas (for himself and [see attached list of cosponsors]) introduced the following bill; which was referred to the Committee on

---

# A BILL

To amend title 35, United States Code, relating to the procurement, enforcement, and validity of patents.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Patent Act of 2005”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 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. Injunctions.
- Sec. 8. Continuation applications.
- Sec. 9. Post-grant procedures and other quality enhancements.
- Sec. 10. Submissions by third parties.
- Sec. 11. Applicability; transitional provisions.

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

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3 amended or repealed, that amendment or repeal shall be  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

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

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

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

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

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

17 “(1) the filing date of the patent or the applica-  
18 tion for patent containing the claim to the invention;  
19 or



1           “(2) if the patent or application for patent is  
2           entitled to a right of priority of any other applica-  
3           tion under section 119, 365(a), or 365(b) or to the  
4           benefit of an earlier filing date in the United States  
5           under section 120, 121, or 365(c), the filing date of  
6           the earliest such application in which the claimed in-  
7           vention is disclosed in the manner provided by the  
8           first paragraph of section 112 of this title.

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

12          (b) CONDITIONS FOR PATENTABILITY.—

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

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

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

18                         “(1) the claimed invention was patented, de-  
19                         scribed in a printed publication, or otherwise pub-  
20                         licly known—

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

23                                 “(B) before the effective filing date of the  
24                                 claimed invention, other than through disclo-  
25                                 sures made by the inventor or a joint inventor



1           or by others who obtained the subject matter  
2           disclosed directly or indirectly from the inventor  
3           or a joint inventor; or

4           “(2) the claimed invention was described in a  
5           patent issued under section 151, or in an application  
6           for patent published or deemed published under sec-  
7           tion 122(b), in which the patent or application, as  
8           the case may be, names another inventor and was  
9           effectively filed before the effective filing date of the  
10          claimed invention.

11          “(b) LIMITATION ON PRIOR ART.—

12           “(1) COMMONLY ASSIGNED INVENTION EXCEP-  
13          TION.—Subject matter that would otherwise qualify  
14          as prior art only under subsection (a)(2) shall not be  
15          prior art to a claimed invention if the subject matter  
16          and the claimed invention were, not later than the  
17          effective filing date of the claimed invention, owned  
18          by the same person or subject to an obligation of as-  
19          signment to the same person.

20           “(2) JOINT RESEARCH AGREEMENT EXCEP-  
21          TION.—

22           “(A) EXCEPTION.—Subject matter that  
23          would otherwise qualify as prior art only under  
24          subsection (a)(2) shall not be prior art for pur-  
25          poses of section 103 to a claimed invention if—



1 “(i) the claimed invention was made  
2 by or on behalf of parties to a joint re-  
3 search agreement that was in effect on or  
4 before the effective filing date of the  
5 claimed invention;

6 “(ii) the subject matter was developed  
7 and the claimed invention was made as a  
8 result of activities undertaken within the  
9 scope of the joint research agreement; and

10 “(iii) the application for patent for  
11 the claimed invention discloses or is  
12 amended to disclose the names of the par-  
13 ties to the joint research agreement.

14 “(B) DEFINITION.—For purposes of sub-  
15 paragraph (A), the term ‘joint research agree-  
16 ment’ means a written contract, grant, or coop-  
17 erative agreement entered into by two or more  
18 persons or entities for the performance of ex-  
19 perimental, developmental, or research work in  
20 the field of the claimed invention.

21 “(3) REASONABLE AND EFFECTIVE ACCESSI-  
22 BILITY REQUIREMENT.—

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



1 “(i) it becomes reasonably and effec-  
2 tively accessible through its use, sale, or  
3 disclosure by other means; or

4 “(ii) it is embodied in or otherwise in-  
5 herent in subject matter that has become  
6 reasonably and effectively accessible.

7 “(B) REASONABLE AND EFFECTIVE AC-  
8 CESSIBILITY.—For purposes of subparagraph  
9 (A)—

10 “(i) subject matter is reasonably ac-  
11 cessible if persons of ordinary skill in the  
12 art to which the subject matter pertains  
13 are able to gain access to the subject mat-  
14 ter by without resort to undue efforts; and

15 “(ii) subject matter is effectively ac-  
16 cessible if persons of ordinary skill in the  
17 art to which the subject matter pertains  
18 are able to comprehend the content of the  
19 subject matter without resort to undue ef-  
20 forts.

21 “(4) PATENTS AND PUBLISHED APPLICATIONS  
22 EFFECTIVELY FILED.—A patent or application for  
23 patent is effectively filed under subsection (a)(2)  
24 with respect to any subject matter described in the  
25 patent or application—



1           “(A) as of the filing date of the patent or  
2           the application for patent; or

3           “(B) if the patent or application for patent  
4           is entitled to claim a right of priority under sec-  
5           tion 119, 365(a), or 365(b) or to claim the ben-  
6           efit of an earlier filing date under section 120,  
7           121, or 365(c), based upon one or more prior  
8           filed applications for patent, as of the filing  
9           date of the earliest such application that de-  
10          scribes the subject matter.”.

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

“102. Conditions for patentability; novelty.”.

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

16                 (1) by striking subsections (b) and (c); and

17                 (2) in subsection (a)—

18                         (A) by striking “(a) A patent may not be  
19                         obtained through the invention” and inserting  
20                         “A patent for a claimed invention may not be  
21                         obtained through the claimed invention”; and

22                         (B) by striking “at the time the invention  
23                         was made” and inserting “before the effective  
24                         filing date of the claimed invention”.



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

5 (e) REPEAL OF STATUTORY INVENTION REGISTRA-  
6 TION.—Section 157, and the item relating to that section  
7 in the table of sections for chapter 14, are repealed.

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

12 (g) CONFORMING AMENDMENTS.—

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

16 (2) LIMITATION ON REMEDIES.—Section  
17 287(c)(4) is amended by striking “the earliest effec-  
18 tive filing date of which is prior to” and inserting  
19 “which has an effective filing date before”.

20 (3) INTERNATIONAL APPLICATION DESIG-  
21 NATING THE UNITED STATES: EFFECT.—Section  
22 363 is amended by striking “except as otherwise  
23 provided in section 102(e) of this title”.

24 (4) PUBLICATION OF INTERNATIONAL APPLICA-  
25 TION: EFFECT.—Section 374 is amended by striking



1 “sections 102(e) and 154(d)” and inserting “section  
2 154(d)”.

3 (5) PATENT ISSUED ON INTERNATIONAL APPLI-  
4 CATION: EFFECT.—The second sentence of section  
5 375(a) is amended by striking “Subject to section  
6 102(e) of this title, such” and inserting “Such”.

7 (6) LIMIT ON RIGHT OF PRIORITY.—Section  
8 119(a) is amended by striking “; but no patent shall  
9 be granted” and all that follows through “one year  
10 prior to such filing”.

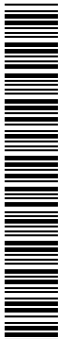
11 (7) INVENTIONS MADE WITH FEDERAL ASSIST-  
12 ANCE.—Section 202(c) is amended—

13 (A) in paragraph (2)—

14 (i) by striking “publication, on sale,  
15 or public use,” and all that follows through  
16 “obtained in the United States” and in-  
17 serting “the 1-year period referred to in  
18 section 102(a) would end before the end of  
19 such 2-year period”; and

20 (ii) by striking “the statutory” and  
21 inserting “the 1-year”; and

22 (B) in paragraph (3), by striking “any  
23 statutory bar date that may occur under this  
24 title due to publication, on sale, or public use”



1 and inserting “the expiration of the 1-year pe-  
2 riod referred to in section 102(a)”.

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

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

8 “(a) DISPUTE OVER RIGHT TO PATENT.—

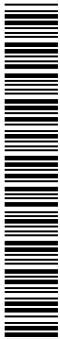
9 “(1) INSTITUTION OF INVENTOR’S RIGHTS CON-  
10 TEST.—Whenever patents or applications for patent  
11 naming different individuals as the inventor are  
12 deemed by the Director to interfere because of a dis-  
13 pute over the right to patent under section 101, the  
14 Director shall institute an inventor’s rights contest  
15 for the purpose of determining the right to patent.

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

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

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

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



1           “(3) EFFECT OF FINAL DECISION.—The final  
2           decision of the Board of Patent Appeals under para-  
3           graph (2), if adverse to the claim of an applicant,  
4           shall constitute the final refusal by the Patent and  
5           Trademark Office on the claims involved. The Direc-  
6           tor may issue a patent to an applicant who is ad-  
7           judged to have the right to patent. The final decision  
8           of the Board, if adverse to a patentee, shall, if no  
9           appeal or other review of the decision has been or  
10          can be taken or had, constitute cancellation of the  
11          claims involved in the patent, and notice of such  
12          cancellation shall be endorsed on copies of the patent  
13          distributed after such cancellation by the Patent and  
14          Trademark Office.”.

15          (j) BOARD OF PATENT APPEALS.—

16                 (1) ELIMINATION OF REFERENCES TO INTER-  
17                 FERENCES.—(A) Sections 6, 41, 134, 141, 145,  
18                 146, 154, 305, and 314 are each amended by strik-  
19                 ing “Board of Patent Appeals and Interferences”  
20                 each place it appears and inserting “Board of Pat-  
21                 ent Appeals”.

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



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

3 **“§ 6. Board of Patent Appeals”.**

4 (D) The section heading for section 134 is  
5 amended to read as follows:

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

7 (E) The section heading for section 135 is  
8 amended to read as follows:

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

10 (F) The section heading for section 146 is  
11 amended to read as follows:

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

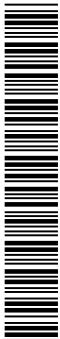
14 (G) Section 154(b)(1)(C) is amended by strik-  
15 ing “interferences” and inserting “inventor’s rights  
16 contests”.(H) The item relating to section 6 in the  
17 table of sections for chapter 1 is amended to read  
18 as follows:

“6. Board of Patent Appeals.”.

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

“134. Appeal to the Board of Patent Appeals.

“135. Inventor’s rights contests.”.



1 (J) The item relating to section 146 in the  
2 table of sections for chapter 13 is amended to read  
3 as follows:

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

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

6 (A) by striking “(c) Any” and inserting  
7 “(c)(1) Any”;

8 (B) in the second paragraph, by striking  
9 “The Director” and inserting “(2) The Direc-  
10 tor”; and

11 (C) in the third paragraph, by striking  
12 “Any discretionary” and inserting “(3) Any dis-  
13 cretionary”.

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

15 (a) RIGHT TO PATENT.—

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

18 **“§ 101. Right to patent; subject matter eligible for**  
19 **patenting**

20 “The inventor of any new and useful process, ma-  
21 chine, manufacture, or composition of matter, or any new  
22 and useful improvement thereof, has the right to apply  
23 for and to obtain a patent therefor, subject to the condi-  
24 tions and requirements of this title.”.



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

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

4           (b) OATH OF APPLICANT.—Section 115 is amended  
5 to read as follows:

6 **“§ 115. Oath of applicant**

7           “The Director may require the applicant to make an  
8 oath setting forth particulars relating to the inventor and  
9 the invention.”.

10          (c) FILING BY OTHER THAN INVENTOR.—Section  
11 118 is amended to read as follows:

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

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

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



1 (1) in the first paragraph—

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

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

8 (2) in the second paragraph—

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

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

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

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

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



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

4 **SEC. 5. DUTY OF CANDOR.**

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

8 **“§ 136. Duty of candor: patents and applications for**  
9 **patent**

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



1       “(b) VIOLATION.—Any individual who is subject to  
2 the duty of candor and good faith under subsection (a)  
3 and who, with the intent to deceive or mislead, knowingly  
4 fails to disclose material information or knowingly and  
5 materially misrepresents information has engaged in mis-  
6 conduct under this section, if the Director or a court under  
7 subsection (d), as the case may be, finds, by clear and  
8 convincing evidence, that—

9           “(1) the individual failed to disclose information  
10       or misrepresented information;

11           “(2) the information not disclosed was material  
12       or, in the case of a misrepresentation, the misrepre-  
13       sentation was material;

14           “(3) the individual had knowledge of the mate-  
15       riality of the information not disclosed or, in the  
16       case of a misrepresentation, of the misrepresentation  
17       and materiality of the misrepresentation; and

18           “(4) the individual had the intent to deceive or  
19       mislead.

20       “(c) ADJUDICATION BY THE OFFICE.—

21           “(1) OTHER FORA PRECLUDED.—No court or  
22       Federal department or agency other than the Office,  
23       and no other Federal or State governmental entity,  
24       may investigate or make a determination or an adju-  
25       dication with respect to an alleged violation of the



1 duty of candor and good faith under subsection (a)  
2 or with respect to an alleged fraud, inequitable con-  
3 duct, or other misconduct in any proceeding before  
4 the Office involving a patent or in connection with  
5 the filing or examination of an application for pat-  
6 ent, except as expressly permitted in this section.

7 “(2) EXCEPTION REGARDING PENDING APPLI-  
8 CATIONS.—Nothing in this subsection shall limit the  
9 authority of the Director to enforce regulations con-  
10 cerning pending applications for patent, including  
11 regulations relating to misconduct.

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

20 “(4) REFERRAL BY COURT.—In any matter be-  
21 fore a court involving an issue of validity or infringe-  
22 ment of a patent, if the court determines that an  
23 issue of possible misconduct under subsection (b) ex-  
24 ists, the court shall refer the matter to the Office for  
25 investigation and sanctions under this section. If



1 such referral is made, the matter shall be resolved  
2 as provided in this section.

3 “(d) UNENFORCEABILITY ACTION.—

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

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

13 “(B) the fraud is attributable to the patent  
14 owner.

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

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

23 “(B) the court has previously entered a  
24 judgment in the action that a claim in the pat-  
25 ent is invalid;



1           “(C) the motion to amend the pleadings is  
2 brought by a party to the action adverse to the  
3 patent owner within 3 months after a judgment  
4 is entered by the court invalidating the claim;  
5 and

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

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

17           “(ii) the alleged fraud is attributable  
18 to the patent owner.

19           “(3) REQUIRED FINDINGS FOR UNENFORCE-  
20 ABILITY.—

21           “(A) LIABILITY OF PATENT OWNER.—In  
22 determining the unenforceability of a patent, no  
23 misconduct under subsection (b) by an indi-  
24 vidual registered to practice before the Office  
25 and acting in a representative capacity before



1 the Office in a proceeding before the Office in-  
2 volving the patent or in connection with the fil-  
3 ing or examination of the application for patent  
4 shall be attributable to the patent owner unless  
5 the patent owner, or another individual who—

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

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

10 “(iii) was acting on the patent owner’s  
11 behalf,

12 is determined to have violated the duty of can-  
13 dor and good faith.

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

22 “(i) would not have issued the invali-  
23 dated claim, acting reasonably, in the ab-  
24 sence of the misconduct; or



1                   “(ii) based upon the prosecution his-  
2                   tory as a whole objectively considered,  
3                   would have done so based upon in whole or  
4                   in part on account of the misconduct.

5                   “(e) INVESTIGATION OF MISCONDUCT.—

6                   “(1) IN GENERAL.—The Director shall establish  
7                   a special office with authority to investigate possible  
8                   violations of the duty of candor and good faith, in-  
9                   cluding possible misconduct, in a proceeding before  
10                  the Office involving a patent or in connection with  
11                  the filing or examination of an application for pat-  
12                  ent, in cases in which such matters are referred to  
13                  the Office for investigation under subsection (c)(4).  
14                  The special office shall, following such referral, com-  
15                  mence an investigation into possible violations of the  
16                  duty . After such an investigation is begun, any sub-  
17                  sequent decision to maintain the investigation or  
18                  abandon the investigation may be made only by the  
19                  Director, and such decision may not be appealed or  
20                  reviewed.

21                  “(2) PROCEDURES.—

22                  “(A) SUBPOENAS.—During the period in  
23                  which a misconduct investigation is conducted  
24                  under paragraph (1), the matter shall be a con-  
25                  tested case in the Office and the Director may



1 seek evidence or other information through sub-  
2 poenas under section 24.

3 “(B) NOTICE; SUBJECT PARTIES.—The  
4 Director shall provide written notice to the pat-  
5 ent owner of the commencement of the inves-  
6 tigation and may provide such written notice to  
7 persons who were owners of the patent or appli-  
8 cation for patent (or persons to whom the pat-  
9 ent or application for patent was subject to an  
10 obligation of assignment) at the time the con-  
11 duct that is the subject of the investigation oc-  
12 curred. Any person receiving written notice  
13 under this subparagraph shall be designated as  
14 a ‘subject party.’ The Director shall provide  
15 written notice under this subparagraph of an  
16 investigation before seeking any evidence under  
17 section 24, but otherwise at such time as the  
18 Director shall determine. Upon providing such  
19 written notice to the subject parties, the Direc-  
20 tor shall publish a notice of the commencement  
21 of the investigation in the Federal Register.

22 “(C) OBTAINING EVIDENCE.—Upon re-  
23 quest of a subject party, the Director shall de-  
24 termine the manner in which to allow a subject  
25 party to obtain evidence of potential relevance,

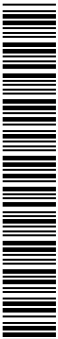


1 including by authorizing the subject party to  
2 seek subpoenas under section 24.

3 “(D) PRELIMINARY DETERMINATION.—  
4 The Director, at the earliest practicable time  
5 after the date on which notice of the investiga-  
6 tion is published under subparagraph (B), shall  
7 conclude the investigation and make a prelimi-  
8 nary determination on the issues under inves-  
9 tigation. The Director shall, within 45 days  
10 after an investigation is begun, establish a tar-  
11 get date for rendering a preliminary determina-  
12 tion.

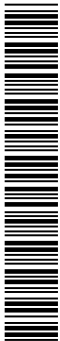
13 “(E) CONSULTATION WITH OTHER DE-  
14 PARTMENTS AND AGENCIES.—During the  
15 course of each investigation under this section  
16 and section 137, the Director may consult with,  
17 seek advice and information from, and other-  
18 wise obtain assistance from the Attorney Gen-  
19 eral, the Federal Trade Commission, the Inter-  
20 national Trade Commission, the Securities and  
21 Exchange Commission, and the heads of such  
22 other departments and agencies as the Director  
23 considers appropriate.

24 “(3) NOTICE OF DETERMINATION.—



1           “(A) IF NO MISCONDUCT FOUND.—If the  
2 Director determines in an investigation under  
3 paragraph (2) that there is no basis for con-  
4 cluding that misconduct under subsection (b)  
5 has occurred, the Director shall provide written  
6 notice of such determination to each of the sub-  
7 ject parties not later than 1 month after the  
8 conclusion of the investigation. A determination  
9 of the Director under this subparagraph is final  
10 and may not be appealed.

11           “(B) IF MISCONDUCT MAY HAVE OC-  
12 CURRED.—If the Director makes a preliminary  
13 determination in an investigation under para-  
14 graph (2) that misconduct under subsection (b)  
15 may have occurred, the Director shall provide  
16 written notice of the preliminary determination  
17 to each of the subject parties not later than 1  
18 month after the conclusion of the investigation.  
19 Such written notice shall provide a description  
20 with particularity of the separate acts alleged to  
21 constitute such possible misconduct. The Direc-  
22 tor shall afford the subject parties an oppor-  
23 tunity to respond to the preliminary determina-  
24 tion and a period of time within which to reach



1 a settlement of the issue before taking any fur-  
2 ther action.

3 “(4) FINAL DETERMINATION; APPEAL TO  
4 BOARD.—

5 “(A) IN GENERAL.—If a matter relating to  
6 possible misconduct is not settled under para-  
7 graph (3), the preliminary determination shall  
8 become final and may not be appealed unless 1  
9 or more of the subject parties contests the pre-  
10 liminary determination by requesting a hearing  
11 on the matter, within 2 months after the end of  
12 the settlement period provided under paragraph  
13 (3)(B), before a panel of the Board of Patent  
14 Appeals.

15 “(B) HEARING.—If a hearing is timely re-  
16 quested under subparagraph (A), the hearing  
17 shall provide the Director and the patent owner  
18 an opportunity to present evidence and argu-  
19 ments.

20 “(C) DETERMINATION OF PANEL.—The  
21 panel shall, not later than 1 year after the date  
22 of the request by 1 or more of the subject par-  
23 ties for a hearing under subparagraph (B),  
24 issue a written determination containing find-  
25 ings of facts and conclusions of law on the mat-



1           ters before it. If the written determination by  
2           the panel concludes that one or more alleged  
3           violations of the duty of candor and good faith  
4           do not constitute acts of misconduct, then the  
5           determination is final with respect to such  
6           issues of possible misconduct and may not be  
7           appealed, and no penalty shall be imposed with  
8           respect to such issues. If the written determina-  
9           tion by the panel concludes that one or more al-  
10          leged violations of the duty of candor and good  
11          faith do constitute acts of misconduct, then the  
12          decision of the panel shall represent a final de-  
13          termination of the Office on the matters in-  
14          volved.

15           “(5) NOTICE OF FINAL DETERMINATION.—If a  
16          matter of possible misconduct is not settled or other-  
17          wise terminated following the opportunity for settle-  
18          ment and hearing under paragraphs (3) and (4), the  
19          Director shall notify the subject parties in writing of  
20          the final determination on the matter under para-  
21          graph (4), setting forth—

22                   “(A) the factual findings of the investiga-  
23          tion;

24                   “(B) the legal conclusions reached;



1           “(C) a description of each separate act of  
2 misconduct determined to have taken place;

3           “(D) the amount of any civil monetary  
4 penalty imposed against the subject parties  
5 under paragraph (6); and

6           “(E) a deadline for payment of any penalty  
7 imposed, which may not be earlier than 6  
8 months after the date on which the notice is  
9 provided to the patent owner under this para-  
10 graph of the final determination.

11           “(6) PENALTY AMOUNT.—

12           “(A) IN GENERAL.—Subject to the limita-  
13 tions of this paragraph, the Director may im-  
14 pose civil monetary penalties on each subject  
15 party for each act of misconduct of which notice  
16 is given under paragraph (5), in amounts that  
17 the Director considers sufficient in the Direc-  
18 tor’s discretion to act as a deterrent to future  
19 such violations of the duty of candor and good  
20 faith under this section, taking into account the  
21 totality of the circumstances in each individual  
22 case.

23           “(B) LIMITATION ON AMOUNT.—The  
24 amount of a civil penalty imposed under sub-  
25 paragraph (A) may not exceed \$1,000,000 for



1 each separate act of misconduct, except that in  
2 a case in which the violation of the duty of can-  
3 dor and good faith is found to be the result of  
4 fraudulent or other particularly egregious mis-  
5 conduct, the penalty imposed may not exceed  
6 \$5,000,000 for such act of misconduct. In an  
7 exceptional case, the Director may impose an  
8 additional penalty in an amount equal to the  
9 costs incurred by the Director in conducting the  
10 investigation.

11 “(C) LIMITATION ON PARTIES ON WHICH  
12 PENALTIES MAY BE IMPOSED.—No penalty  
13 based upon an act of misconduct may be im-  
14 posed under subparagraph (A) on a subject  
15 party other than the patent owner unless the  
16 subject party was the owner of a claimed inven-  
17 tion in the patent or application for patent (or  
18 entitled to an assignment thereof), at the time  
19 the act of misconduct giving rise to the penalty  
20 occurred. Unless otherwise specified in the final  
21 determination, subject parties shall be jointly  
22 and severally liable for any penalty imposed.

23 “(7) TOLLING OF PENALTY; FAILURE OF TIME-  
24 LY PAYMENT.—The deadline for payment of any  
25 penalty imposed shall be tolled during the pendency



1 of an appeal brought by a subject party under para-  
2 graph (8). If the patent owner fails to make timely  
3 payment of any penalty imposed on the patent  
4 owner, including any penalty for which the patent  
5 owner is jointly liable, before the expiration of the  
6 deadline provided under paragraph (5)(E), the fail-  
7 ure to pay the penalty constitutes a disclaimer of all  
8 enforceable rights in each patent involved in the vio-  
9 lation of the duty of candor and good faith for which  
10 the penalty was imposed.

11 “(8) APPEAL.—A subject party dissatisfied with  
12 the final determination of the Director under this  
13 section may, unless the penalty has been paid pursu-  
14 ant to the final determination, appeal the determina-  
15 tion under sections 141 through 144.

16 “(f) OTHER ACTIONS NOT SUBJECT TO PREEMP-  
17 TION.—Nothing in this section shall in any manner oper-  
18 ate to—

19 “(1) prevent or otherwise obstruct a criminal  
20 investigation or supersede any criminal law, or any  
21 penalty imposed pursuant thereto, in connection  
22 with any matter involving a patent or application for  
23 patent;

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



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

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

8 “(g) ACTIONS BASED UPON PRIOR MISCONDUCT AD-  
9 JUDICATION.—If a final, nonappealable adjudication of  
10 misconduct has been made based upon a criminal action  
11 not subject to preemption under subsection (f)(1), a fraud  
12 pleading described in subsection (d), or a misconduct pro-  
13 ceeding instituted pursuant to a referral described in sub-  
14 section (e)(1), such adjudication of misconduct may be  
15 used as a basis for pursuing further remedies under any  
16 Federal or State law, including common law, except that  
17 nothing in this subsection shall authorize any investigation  
18 or determination of misconduct that is otherwise pre-  
19 empted under this section.

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

22 “(a) DUTY.—The Director shall prescribe by regula-  
23 tion a duty of candor and good faith applicable to individ-  
24 uals who are parties adverse to a patent or application  
25 for patent in contested cases before the Office. The duty



1 shall apply to individuals associated with such a pro-  
2 ceeding on behalf of a party adverse to the patent or appli-  
3 cation. Each such individual shall timely disclose informa-  
4 tion known to that individual to be material to issues  
5 raised or responded to by the adverse party on whose be-  
6 half the individual is involved and shall not materially mis-  
7 represent information.

8       “(b) MISCONDUCT.—Misconduct under this section  
9 shall be defined with respect to individuals described in  
10 subsection (a) in the same manner as that provided in sec-  
11 tion 136(b) with respect to individuals under that section.  
12 The Director may conduct an investigation of possible  
13 misconduct by an individual based upon a violation of the  
14 duty described in subsection (a) in the manner provided  
15 in section 136(e), except that the written notice described  
16 in section 136(e)(2)(B) shall be given by the Director to  
17 each party on whose behalf an individual is acting who  
18 is being investigated for possible violation of the duty of  
19 candor and good faith under this section. The persons re-  
20 ceiving such written notice shall be the subject parties of  
21 the investigation. If, on the basis of an investigation the  
22 Director determines that there is a basis for concluding  
23 that a violation of the duty that amounts to misconduct  
24 may have occurred, the Director shall provide written no-  
25 tice of the preliminary determination to each subject party



1 and shall afford the subject party an opportunity to reach  
2 a settlement of the issue before taking any further action.

3 “(c) PENALTIES.—If an issue of misconduct arising  
4 from a possible violation of the duty of candor and good  
5 faith under this section is not settled or otherwise termi-  
6 nated following the opportunity for settlement and hearing  
7 described in subsection (b), the Director may impose a  
8 civil monetary penalty against the subject parties. The  
9 procedures described in section 136(e) shall be followed  
10 in imposing a civil penalty under this subsection, except  
11 that the maximum civil monetary penalty that may be im-  
12 posed on a subject party under this section may not exceed  
13 \$500,000.”.

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

“136. Duty of candor: patents and applications for patent.

“137. Duty of candor: parties adverse to a patent or application.”.

17 (c) REMOVAL OF DECEPTIVE INTENT RESTRIC-  
18 TION.—

19 (1) INVENTOR.—

20 (A) IN GENERAL.—The third paragraph of  
21 section 116 is amended—

22 (i) by striking “Whenever” and insert-  
23 ing “(c) CORRECTION OF ERRORS IN AP-  
24 PPLICATION.—Whenever”; and



1 (ii) by striking “, and such error  
2 arose without any deceptive intention on  
3 his part”.

4 (B) CORRECTION OF NAMED INVENTOR.—  
5 Section 256 is amended—

6 (i) in the first paragraph—

7 (I) by striking “Whenever” and  
8 inserting “(a) CORRECTION.—When-  
9 ever”; and

10 (II) by striking “and such error  
11 arose without any deceptive intention  
12 on his part”; and

13 (ii) in the second paragraph, by strik-  
14 ing “The error” and inserting “(b) PAT-  
15 ENT VALID IF ERROR CORRECTED.—The  
16 error”.

17 (2) FILING.—

18 (A) FILING OF APPLICATION IN FOREIGN  
19 COUNTRY.—The first paragraph of section 184  
20 is amended—

21 (i) by striking “Except when” and in-  
22 sserting “(a) FILING IN FOREIGN COUN-  
23 TRY.—Except when”; and

24 (ii) by striking “and without deceptive  
25 intent”.



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

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

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

8 (B) by striking “, through error without  
9 any deceptive intention,”.

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

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

14 (B) by striking “, without any deceptive  
15 intention,”.

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

19 (d) TECHNICAL AMENDMENTS.—(1) Section 116 is  
20 amended—

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



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

4 (2) Section 184 is amended—

5 (A) in the second paragraph, by striking “The  
6 term” and inserting “(b) APPLICATION.—The  
7 term”; and

8 (B) in the third paragraph, by striking “The  
9 scope” and inserting “(c) SUBSEQUENT MODIFICA-  
10 TIONS, AMENDMENTS, AND SUPPLEMENTS.—The  
11 scope”.

12 (3) Section 251 is amended—

13 (A) in the second paragraph, by striking “The  
14 Director” and inserting “(b) MULTIPLE REISSUED  
15 PATENTS.—The Director”;

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

19 (C) in the last paragraph, by striking “No re-  
20 issued patent” and inserting “(d) REISSUE PATENT  
21 ENLARGING SCOPE OF CLAIMS.—No reissued pat-  
22 ent”.

23 (4) Section 253 is amended in the second paragraph,  
24 by striking “in like manner” and inserting “(b) ADDI-



1 TIONAL DISCLAIMER OR DEDICATION.—In the manner set  
2 forth in subsection (a),”.

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

4 Section 284 is amended—

5 (1) in the first paragraph—

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

8 (B) by adding at the end the following: “In  
9 determining a reasonable royalty in the case of  
10 a combination, the court shall consider, if rel-  
11 evant and among other factors, the portion of  
12 the realizable profit that should be credited to  
13 the inventive contribution as distinguished from  
14 other features of the combination, the manufac-  
15 turing process, business risks, or significant  
16 features or improvements added by the in-  
17 fringer.”;

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

20 “(b) WILLFUL INFRINGEMENT.—

21 “(1) INCREASED DAMAGES.—A court that has  
22 determined that the infringer has willfully infringed  
23 a patent or patents may increase the damages up to  
24 three times the amount of damages found or as-  
25 sessed under subsection (a), except that increased



1 damages under this paragraph shall not apply to  
2 provisional rights under section 154(d) of this title.

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

7 “(A) after receiving written notice from  
8 the patentee—

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

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

18 the infringer, after a reasonable opportunity to  
19 investigate, thereafter performed one or more of  
20 the alleged acts of infringement;

21 “(B) the infringer intentionally copied the  
22 patented invention with knowledge that it was  
23 patented; or

24 “(C) after having been found by a court to  
25 have infringed that patent, the infringer en-



1 gaged in conduct that was not colorably dif-  
2 ferent from the conduct previously found to  
3 have infringed the patent, and which resulted in  
4 a separate finding of infringement of the same  
5 patent.

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

13 “(B) Reasonable reliance on advice of counsel  
14 shall establish an informed good faith belief within  
15 the meaning of subparagraph (A).

16 “(C) The decision of the infringer not to  
17 present evidence of advice of counsel shall have no  
18 relevance to a determination of willful infringement  
19 under paragraph (2).

20 “(4) LIMITATION ON PLEADING.—A patentee  
21 may not plead, and a court may not determine, that  
22 an infringer has willfully infringed a patent before  
23 the date on which a determination has been made  
24 that the patent in suit is not invalid, is enforceable,  
25 and has been infringed by the infringer.”; and



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

4 **SEC. 7. INJUNCTIONS.**

5           Section 283 is amended by adding at the end the fol-  
6           lowing:

7           “In determining equity, the court shall consider the fair-  
8           ness of the remedy in light of all the facts and the relevant  
9           interests of the parties associated with the invention. Un-  
10          less the injunction is entered pursuant to a nonappealable  
11          judgment of infringement, a court shall stay the injunction  
12          pending an appeal upon an affirmative showing that the  
13          stay would not result in irreparable harm to the owner  
14          of the patent and that the balance of hardships from the  
15          stay does not favor the owner of the patent.”.

16 **SEC. 8. CONTINUATION APPLICATIONS.**

17          (a) IN GENERAL.—Chapter 11 is amended by adding  
18          at the end the following:

19 **“§ 123. Limitations on continuation applications**

20          “The Director may by regulation limit the cir-  
21          cumstances under which an application for patent, other  
22          than a divisional application that meets the requirements  
23          for filing under section 121, may be entitled to the benefit  
24          under section 120 of the filing date of a prior-filed applica-  
25          tion. No such regulation may deny applicants an adequate



1 opportunity to obtain claims for any invention disclosed  
2 in an application for patent.”.

3 (b) CONFORMING AMENDMENT.—The table of sec-  
4 tions for chapter 11 is amended by adding at the end the  
5 following new item:

“123. Limitations on continuation applications.”.

6 **SEC. 9. POST-GRANT PROCEDURES AND OTHER QUALITY**  
7 **ENHANCEMENTS.**

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

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

10 (2) in subparagraph (A)—

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

13 (B) by redesignating clauses (i) through  
14 (iv) as subparagraphs (A) through (D), respec-  
15 tively.

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

19 (1) in subsection (a)—

20 (A) in paragraph (1)—

21 (i) by striking “of a method”; and

22 (ii) by striking “review period;” and  
23 inserting “review period; and”;



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

4 (C) by striking paragraphs (3) and (4);  
5 (2) in subsection (b)—

6 (A) in paragraph (1)—

7 (i) by striking “for a method”; and

8 (ii) by striking “at least 1 year before  
9 the effective filing date of such patent,  
10 and” and all that follows through the pe-  
11 riod and inserting “and commercially used,  
12 or made substantial preparations for com-  
13 mercial use of, the subject matter before  
14 the effective filing date of the claimed in-  
15 vention.”;

16 (B) in paragraph (2)—

17 (i) by striking “The sale or other dis-  
18 position of a useful end result produced by  
19 a patented method” and inserting “The  
20 sale or other disposition of subject matter  
21 that qualifies for the defense set forth in  
22 this section”; and

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



1 (C) in paragraph (3)—  
2 (i) by striking subparagraph (A); and  
3 (ii) by redesignating subparagraphs  
4 (B) and (C) as subparagraphs (A) and  
5 (B), respectively;

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

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

9 **“§ 273. Special defenses to and exemptions from in-  
10 fringement”.**

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

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

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

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

21 (f) POST-GRANT OPPOSITION PROCEDURES.—

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

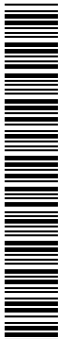


1    **“CHAPTER 32—POST-GRANT OPPOSITION**  
2                                   **PROCEDURES**

- “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.

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

4           “(a) FILING OF OPPOSITION.—A person may request  
5 that the grant or reissue of a patent be reconsidered by  
6 the Office by filing an opposition seeking to invalidate one  
7 or more claims in the patent. The Director shall establish,  
8 by regulation, fees to be paid by the opposer. Copies of  
9 patents and printed publications to be relied upon in sup-  
10 port of the request must be filed with the request. If an  
11 opposer relies on other factual evidence or on expert opin-  
12 ions in support of the opposition, such evidence and opin-  
13 ions must be filed with the request through one or more  
14 accompanying affidavits or declarations.



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

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

13   **“§ 322. Real party in interest**

14           “(a) IDENTIFICATION.—The person making the re-  
15 quest under section 321 shall identify in writing each real  
16 party in interest, and the opposition shall proceed in the  
17 name of the real party in interest.

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

19           “(1) IN GENERAL.—Subject to paragraph (2),  
20 if requested by the opposer, the identity of a real  
21 party in interest shall be kept separate from the file  
22 of the opposition and made available only to Govern-  
23 ment agencies upon written request, or to any per-  
24 son upon a showing of good cause. If the identity of  
25 a real party in interest is kept separate from the file



1 under this subsection, then the opposition shall pro-  
2 ceed in the name of the individual filing the request  
3 as representative of the real party in interest.

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

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

13 “An person may not make an opposition request  
14 under section 321 later than 9 months after the grant of  
15 the patent or issuance of a reissue patent, or later than  
16 6 months after receiving notice from the patent holder al-  
17 leging infringement, except that, if the patent owner con-  
18 sents in writing, an opposition request may be filed at any  
19 time during the period of enforceability of the patent. A  
20 court having jurisdiction over an issue of validity of a pat-  
21 ent may not require the patent owner to consent to such  
22 a request.

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

24 “An opposition request must identify with particu-  
25 larity the claims that are alleged to be invalid and, as to



1 each claim, one or more issues of invalidity on which the  
2 opposition is based. The issues of invalidity that may be  
3 considered during the opposition proceeding are double  
4 patenting and any of the requirements for patentability  
5 set forth in sections 101, 102, 103, 112, and 251(d).

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

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

10 “(1) DETERMINATION BY THE DIRECTOR.—For  
11 each opposition request submitted under section  
12 321(a), the Director shall determine if the written  
13 statement, and any evidence submitted with the re-  
14 quest, establish that a substantial question of pat-  
15 entability exists for at least one claim in the patent.  
16 The Director shall notify the patent owner and each  
17 opposer in writing of the Director’s findings, not  
18 later than the date in which an opposition pro-  
19 ceeding is instituted pursuant to the request. Any  
20 determination made by the Director under this para-  
21 graph shall not be appealable.

22 “(2) INSTITUTION.—If the Director makes a  
23 determination under paragraph (1) that a substan-  
24 tial question of patentability exists, the Director  
25 shall commence an opposition proceeding. The Di-



1 rector shall institute such proceeding not earlier  
2 than the date on which the applicable period speci-  
3 fied in section 323 expires, and not later than the  
4 date that is three months after such date. Absent a  
5 showing of good cause, the opposition proceeding  
6 shall be limited to review of the claim or claims and  
7 the issues identified in the opposition request.

8 “(3) CONSOLIDATED PROCEEDING.—If an op-  
9 position is instituted based upon more than one op-  
10 position request, the opposition shall proceed as a  
11 single consolidated proceeding, unless later divided  
12 under subsection (c).

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

17 “(c) ASSIGNMENT TO PANEL.—The Director shall as-  
18 sign the opposition proceeding to a panel of three adminis-  
19 trative patent judges (in this chapter referred to as the  
20 ‘panel’). The panel shall decide the questions of patent-  
21 ability raised in the opposition request. The decision shall  
22 be based upon the prosecution record that was the basis  
23 for the grant or reissue of the patent and the additional  
24 submissions by the parties to the opposition proceeding  
25 authorized under this chapter. The panel may, in appro-



1 priate cases, divide the opposition into separate pro-  
2 ceedings if the opposition involves multiple opposition re-  
3 quests by different parties.

4 “(d) **STAY OF OPPOSITION.**—If the owner of a patent  
5 files suit alleging infringement of the patent before the  
6 expiration of the 9-month or 6-month period for filing an  
7 opposition request under section 321, the Director, if re-  
8 quested by the patent owner, shall stay the opposition pro-  
9 ceeding until judgment in the suit, and all appeals thereof,  
10 have become final.

11 **“§ 326. Patent owner response**

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

21 **“§ 327. Amendment of claims**

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



1 with the patent owner's response to an opposition request.  
2 The panel may permit further requests for amendment of  
3 the claims only upon good cause shown by the patent  
4 owner. No amendment enlarging the scope of the claims  
5 of the patent shall be permitted in the opposition pro-  
6 ceeding.

7 **“§ 328. Discovery and sanctions**

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

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

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

23 “(d) CONSEQUENCES FOR FAILURE TO RESPOND  
24 PROPERLY.—If any party to an opposition proceeding  
25 fails to properly respond to any discovery under subsection



1 (a) or (b), the panel may draw appropriate adverse infer-  
2 ences and take other action permitted by statute, rule, or  
3 regulation.

4 **“§ 329. Supplemental submissions**

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

9 **“§ 330. Hearing and briefs**

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

19 **“§ 331. Written decision**

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



1 the opposition unless a party to the opposition files a re-  
2 quest for reconsideration and modification of the written  
3 decision within a period of time set by the panel. Such  
4 time period shall not be less than two weeks after the date  
5 of the written decision.

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

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

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

16 **“§ 333. Reconsideration**

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



1 mination of the Office on the issues raised in the opposi-  
2 tion proceeding.

3 **“§ 334. Appeal**

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

9 **“§ 335. Certificate**

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

18 **“§ 336. Estoppel**

19 “(a) ESTOPPEL.—

20 “(1) IN GENERAL.—Subject to paragraph (2),  
21 after a certificate has been issued under section 335  
22 in accordance with the decision of the panel in an  
23 opposition proceeding, the determination with re-  
24 spect to an issue of invalidity raised by an opposer  
25 shall bar the opposer from asserting, in any subse-



1       quent proceeding before the Office or a court involv-  
2       ing that opposer under this title, that any claim of  
3       that patent addressed in the opposition proceeding is  
4       invalid on the basis of any issue of fact or law actu-  
5       ally decided by the panel and necessary to the deter-  
6       mination of that issue.

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

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

22              “(c) NEW PARTY IN INTEREST.—If a proceeding  
23      arising by reason of additional factual evidence raised  
24      under subsection (a)(2) involves a real party in interest  
25      not identified to the patent owner under section 322, the



1 real party in interest shall notify the Director and the pat-  
2 ent owner of that fact and of the subsequent proceeding,  
3 within 30 days after receiving notice that the subsequent  
4 proceeding has been filed.

5 **“§ 337. Duration of opposition**

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

11 **“§ 338. Settlement**

12 “(a) IN GENERAL.—An opposition proceeding under  
13 this chapter shall be terminated with respect to any op-  
14 poser upon the joint request of the opposer and the patent  
15 owner, unless the panel has issued a written decision  
16 under section 331 before the request for termination is  
17 filed. If the opposition is terminated with respect to an  
18 opposer under this section, no estoppel under section 336  
19 shall apply to that opposer. If no opposer remains in the  
20 proceeding, the panel may terminate the proceeding or  
21 proceed without the opposer to issue a written decision  
22 under section 331.

23 “(b) AGREEMENTS IN WRITING.—Any agreement or  
24 understanding between the patent owner and an opposer,  
25 including any collateral agreements referred to therein,



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

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

15 **“§ 339. Intervening rights**

16 “Any proposed amended or new claim determined to  
17 be patentable and incorporated into a patent following an  
18 opposition proceeding under this chapter shall have the  
19 same effect as that specified in section 252 of this title  
20 for reissued patents on the right of any person who made,  
21 purchased, or used within the United States, or imported  
22 into the United States, anything patented by such pro-  
23 posed amended or new claim, or who made substantial  
24 preparation therefor, before the certificate is issued under  
25 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 or 6-month pe-  
10 riod specified in section 323, or an inter partes reexamina-  
11 tion request made during the 9-month or 6-month period  
12 specified in section 323, shall be treated as a request  
13 under section 321, and no ex parte reexamination or inter  
14 partes reexamination may be ordered based on such re-  
15 quest. A request for ex parte reexamination or inter partes  
16 reexamination made after the 9-month or 6-month period  
17 specified in section 323, and a request for ex parte reex-  
18 amination made by the patent owner at any time, shall  
19 be stayed during the pendency of any opposition pro-  
20 ceeding under this chapter.”.

21 (g) CONFORMING AMENDMENT.—The table of chap-  
22 ters for part III of title 35, United States Code, is amend-  
23 ed by adding at the end the following:

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



1 **SEC. 10. SUBMISSIONS BY THIRD PARTIES.**

2 Section 122 is amended by adding at the end the fol-  
3 lowing:

4 “(e) PREISSUANCE SUBMISSIONS BY THIRD PAR-  
5 TIES.—

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

12 “(A) the date a notice of allowance under  
13 section 151 is mailed in the application for pat-  
14 ent; or

15 “(B) either—

16 “(i) six months after the date on  
17 which the application for patent is pub-  
18 lished under section 122, or

19 “(ii) the date of the first rejection  
20 under section 132 of any claim by the ex-  
21 aminer during the examination of the ap-  
22 plication for patent,

23 whichever occurs later.

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



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

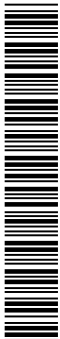
3           “(B) be accompanied by such fee as the  
4           Director may prescribe; and

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

8   **SEC. 11. APPLICABILITY; TRANSITIONAL PROVISIONS.**

9           (a) SECTION 3.—The amendments made by section  
10   3 shall apply to applications for patent, and any patents  
11   issued thereon, that contain a claim to a claimed invention  
12   that has an effective filing date (as defined in section  
13   100(h) of title 35, United States Code) that is one year  
14   or more after the date of the enactment of this Act. With  
15   respect to any patent or application for patent to which  
16   the amendments made by section 3 apply, no claim in the  
17   patent or in the application shall be entitled to an effective  
18   filing date that is before the date of the enactment of this  
19   Act.

20           (b) SECTIONS 4, 6, AND 7.—The amendments made  
21   by sections 4, 6, and 7 shall take effect on the date of  
22   the enactment of this Act, except that such amendments  
23   shall not apply to any action brought in any court before  
24   such date of the enactment.



1 (c) SECTION 5.—The amendments made by section  
2 5 shall take effect on the date of the enactment of this  
3 Act and shall apply to patents issued on or after such date  
4 of enactment, except that, in any action brought on or  
5 after the date of the enactment of this Act in any court  
6 involving a patent issued before the date of the enactment  
7 of this Act, the patent owner may consent to—

8 (1) the jurisdiction of the United States Patent  
9 and Trademark Office based on a referral by the  
10 court under section 136(c)(4) of title 35, United  
11 States Code; and

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

15 (d) SECTION 8.—Any regulations issued under sec-  
16 tion 123 of title 35, United States Code, as added by sec-  
17 tion 8 of this Act, shall apply to any application for patent  
18 that is filed on or after the effective date of such regula-  
19 tions. Such regulations may not take effect before the end  
20 of the 1-year period beginning on the date of the enact-  
21 ment of this Act.

22 (e) SECTION 9.—(1) The amendments made by sec-  
23 tion 9(a) shall apply to applications for patent filed on  
24 or after the date of the enactment of this Act.



1           (2) The amendments made by section 9(b) shall apply  
2 to patents issuing on applications filed on or after the date  
3 of the enactment of this Act.

4           (3) The amendments made by subsections (c) and (d)  
5 of section 9 shall apply to any request made under section  
6 311 of title 35, United States Code, on or after the date  
7 of the enactment of this Act.

8           (4) The amendments made by section 9(e) shall take  
9 effect on the date of the enactment of this Act, except  
10 that—

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

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

16           (ii) such later date that the Director may  
17 establish through notice published in the Fed-  
18 eral Register; and

19           (B) no such request may be made unless the  
20 amendments made by section 3 apply with respect to  
21 the patent that is the subject of the request.

22           (f) SECTION 10.—The amendments made by section  
23 10 shall take effect at the end of the 1-year period begin-  
24 ning on the date of the enactment of this Act.



1 (g) DETERMINING VALIDITY OF CLAIMS.—For the  
2 purpose of determining the validity of a claim in any pat-  
3 ent or the patentability of any claim in a nonprovisional  
4 application for patent that is made before the effective  
5 date of the amendments made by section 3, other than  
6 in an action brought in a court before the date of the en-  
7 actment of this Act—

8 (1) the provisions of sections 102(c) and 102(d)  
9 of title 35, United States Code, shall be deemed to  
10 be repealed;

11 (2) the provisions of sections 102(f) of title 35,  
12 United States Code, shall be deemed to be repealed  
13 and replaced by the provisions of section 101 of title  
14 35, United States Code, as amended by section 4(a)  
15 of this Act, relating to the inventor's right to seek  
16 and obtain a patent, except that a claim in a patent  
17 that is otherwise valid shall not be invalidated by  
18 reason of this paragraph; and

19 (3) the term “in public use or on sale” as used  
20 in section 102(b) of title 35, United States Code,  
21 shall be deemed to exclude the use, sale, or offer for  
22 sale of any subject matter that had not become rea-  
23 sonably and effectively accessible to persons of ordi-  
24 nary skill in the art to which the subject matter per-



1 tains, as defined in the amendments made by section  
2 3 of this Act.

3 (h) EFFECT OF EUROPEAN PATENT CONVENTION  
4 AND PATENT LAWS OF JAPAN.—Before the date, if ever,  
5 that the Director of the United States Patent and Trade-  
6 mark Office publishes a notice in the Official Gazette of  
7 the Office declaring that both the European Patent Con-  
8 vention and the patent laws of Japan afford inventors  
9 seeking patents a 1-year period prior to the effective filing  
10 date of a claimed invention during which disclosures made  
11 by the inventor or by others who obtained the subject mat-  
12 ter disclosed directly or indirectly from the inventor do not  
13 constitute prior art, the term “effective filing date” as  
14 used in section 102(a)(1)(A) of title 35, United States  
15 Code, shall be construed by disregarding any right of pri-  
16 ority except that provided under section 119(e) of title 35,  
17 United States Code.

