

113TH CONGRESS
1ST SESSION

S. 1720

To promote transparency in patent ownership and make other improvements
to the patent system, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2013

Mr. LEAHY (for himself, Mr. LEE, Mr. WHITEHOUSE, and Ms. KLOBUCHAR)
introduced the following bill; which was read twice and referred to the
Committee on the Judiciary

A BILL

To promote transparency in patent ownership and make
other improvements to the patent system, and for other
purposes.

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 Transparency and Improvements Act of 2013”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Transparency of patent ownership.
- Sec. 4. Customer stay.

- Sec. 5. Bad-faith demand letters.
- Sec. 6. Small business education, outreach, and information access.
- Sec. 7. Improved post-issuance procedures.
- Sec. 8. Protection of intellectual-property licenses in bankruptcy.
- Sec. 9. Codification of the double-patenting doctrine for first-inventor-to-file patents.
- Sec. 10. Technical corrections to the Leahy-Smith America Invents Act.
- Sec. 11. Reports.
- Sec. 12. Effective date.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) DIRECTOR.—The term “Director” means
 4 the Under Secretary of Commerce for Intellectual
 5 Property and Director of the United States Patent
 6 and Trademark Office.

7 (2) OFFICE.—The term “Office” means the
 8 United States Patent and Trademark Office.

9 **SEC. 3. TRANSPARENCY OF PATENT OWNERSHIP.**

10 (a) JUDICIAL PROCEEDINGS.—

11 (1) IN GENERAL.—Section 281 of title 35,
 12 United States Code, is amended—

13 (A) by striking “A patentee” and inserting

14 “(a) IN GENERAL.—A patentee”; and

15 (B) by adding at the end the following:

16 “(b) INITIAL DISCLOSURE.—The court shall require
 17 a patentee who has filed a civil action under subsection
 18 (a) to disclose to the court and to all adverse parties, any
 19 persons, associations of persons, firms, partnerships, cor-
 20 porations (including parent corporations), or other entities

1 other than the patentee itself known by the patentee to
 2 have—

3 “(1) a financial interest (of any kind) in the
 4 subject matter in controversy or in a party to the
 5 proceeding; or

6 “(2) any other kind of interest that could be
 7 substantially affected by the outcome of the pro-
 8 ceeding.

9 “(c) DEFINITIONS.—For purposes of this section, the
 10 terms ‘proceeding’ and ‘financial interest’ have the mean-
 11 ing given those terms in section 455(d) of title 28.”.

12 (2) TECHNICAL AND CONFORMING AMEND-
 13 MENT.—Section 290 of title 35, United States Code,
 14 is amended in the first sentence by inserting after
 15 “inventor,” the following: “any information that a
 16 patentee has publicly disclosed under section
 17 281(b),”.

18 (b) PATENT AND TRADEMARK OFFICE PRO-
 19 CEEDINGS.—

20 (1) IN GENERAL.—Chapter 26 of title 35,
 21 United States Code, is amended by adding at the
 22 end the following:

23 **“§ 263. Disclosure of information relating to patent**
 24 **ownership**

25 “(a) DEFINITIONS.—In this section—

1 “(1) the term ‘period of noncompliance’ refers
2 to a period of time during which the ultimate parent
3 entity of an assignee of a patent has not been dis-
4 closed to the United States Patent and Trademark
5 Office in accordance with this section; and

6 “(2) the term ‘ultimate parent entity’ has the
7 meaning given the term in section 801.1(a)(3) of
8 title 16, Code of Federal Regulations, or any suc-
9 cessor regulation.

10 “(b) REQUIREMENT TO DISCLOSE ASSIGNMENT.—
11 An assignment of all substantial rights in an issued patent
12 that results in a change to the ultimate parent entity shall
13 be recorded in the Patent and Trademark Office within
14 3 months of the assignment.

15 “(c) DISCLOSURE REQUIREMENTS.—A disclosure
16 under subsection (b) shall include the name of the assignee
17 and the ultimate parent entity of the assignee.

18 “(d) FAILURE TO COMPLY.—If subsection (b) has
19 not been complied with with respect to a patent, in a civil
20 action in which a party asserts a claim for infringement
21 of the patent—

22 “(1) the party asserting infringement of the
23 patent may not recover increased damages under
24 section 284 or attorney fees under section 285 with

1 respect to infringing activities taking place during
2 any period of noncompliance; and

3 “(2) the court shall award a prevailing accused
4 infringer reasonable attorney fees and expenses in-
5 curred in discovering any previously undisclosed ulti-
6 mate parent entities in the chain of title.”.

7 (2) APPLICABILITY.—The amendment made by
8 paragraph (1) shall apply to any patent issued on or
9 after the date of enactment of this Act.

10 (3) CONFORMING AMENDMENT.—The table of
11 sections for chapter 26 of title 35, United States
12 Code, is amended by adding at the end the following
13 new item:

“263. Disclosure of information relating to patent ownership.”.

14 **SEC. 4. CUSTOMER STAY.**

15 (a) IN GENERAL.—Chapter 29 of title 35, United
16 States Code, is amended by adding at the end the fol-
17 lowing new section:

18 **“§ 299A. Customer stay**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘covered customer’ means a party
21 accused of infringing a patent or patents in dispute
22 based on a covered product or process;

23 “(2) the term ‘covered manufacturer’ means a
24 person who manufactures or supplies, or causes the

1 manufacture or supply of, a covered product or proc-
2 ess, or a relevant part thereof; and

3 “(3) the term ‘covered product or process’
4 means a component, product, process, system, serv-
5 ice, method, or a relevant part thereof, that—

6 “(A) is alleged to infringe the patent or
7 patents in dispute; or

8 “(B) implements a process alleged to in-
9 fringe the patent or patents in dispute.

10 “(b) MOTION FOR STAY.—In a civil action in which
11 a party asserts a claim for relief arising under any Act
12 of Congress relating to patents (other than an action that
13 includes a cause of action described in section 271(e) of
14 this title), the court shall grant a motion to stay at least
15 the portion of the action against a covered customer that
16 relates to infringement of a patent involving a covered
17 product or process if—

18 “(1) the covered manufacturer and the covered
19 customer consent in writing to the stay;

20 “(2) the covered manufacturer is a party to the
21 action or a separate action involving the same patent
22 or patents relating to the same covered product or
23 process;

24 “(3) the covered customer agrees to be bound
25 under the principles of collateral estoppel by any

1 issues finally decided as to the covered manufacturer
2 in an action described in paragraph (2) that the cov-
3 ered customer has in common with the covered man-
4 ufacturer; and

5 “(4) the motion is filed after the first pleading
6 in the action but not later than the later of—

7 “(A) 120 days after service of the first
8 pleading in the action that specifically identifies
9 the covered product or process as a basis for
10 the alleged infringement of the patent by the
11 covered customer, and specifically identifies how
12 the covered product or process is alleged to in-
13 fringe the patent; or

14 “(B) the date on which the first scheduling
15 order in the case is entered.

16 “(c) APPLICABILITY.—A stay issued under sub-
17 section (b) shall apply only to those asserted patents and
18 products, systems, methods, or components accused of in-
19 fringement in the action.

20 “(d) LIFT OF STAY.—

21 “(1) IN GENERAL.—A stay entered under this
22 section may be lifted upon grant of a motion based
23 on a showing that—

1 “(A) the action involving the covered man-
 2 ufacturer will not resolve a major issue in suit
 3 against the covered customer; or

4 “(B) the stay unreasonably prejudices and
 5 would be manifestly unjust to the party seeking
 6 to lift the stay.

7 “(2) SEPARATE ACTIONS.—In the case of a stay
 8 entered under this section based on the participation
 9 of the covered manufacturer in a separate action de-
 10 scribed in subsection (b)(2), a motion under para-
 11 graph (1) may only be granted if the court in such
 12 separate action determines that the showing re-
 13 quired under paragraph (1) has been made.

14 “(e) WAIVER OF ESTOPPEL EFFECT.—If, following
 15 the grant of a motion to stay under this section, the cov-
 16 ered manufacturer in an action described in subsection
 17 (b)(2)—

18 “(1) seeks or consents to entry of a consent
 19 judgment involving one or more of the common
 20 issues that gave rise to the stay; or

21 “(2) fails to prosecute, to a final, non-appeal-
 22 able judgment, a final decision as to one or more of
 23 the common issues that gave rise to the stay,
 24 the court may, upon motion, determine that such consent
 25 judgment or unappealed final decision shall not be binding

1 on the covered customer with respect to one or more of
 2 such common issues based on a showing that such an out-
 3 come would unreasonably prejudice and be manifestly un-
 4 just to the covered customer in light of the circumstances
 5 of the case.

6 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-
 7 tion shall be construed to limit the ability of a court to
 8 grant any stay, expand any stay granted pursuant to this
 9 section, or grant any motion to intervene, if otherwise per-
 10 mitted by law.”.

11 (b) CONFORMING AMENDMENT.—The table of sec-
 12 tions for chapter 29 of title 35, United States Code, is
 13 amended by adding at the end the following new item:

“299A. Customer stay.”.

14 **SEC. 5. BAD-FAITH DEMAND LETTERS.**

15 (a) IN GENERAL.—Chapter 29 of title 35, United
 16 States Code, as amended by section 4 of this Act, is
 17 amended by adding at the end the following:

18 **“SEC. 299B. BAD-FAITH DEMAND LETTERS.**

19 “(a) DEFINITION.—In this section, the term ‘affili-
 20 ated person’ means a person affiliated with the intended
 21 recipient of a written communication.

22 “(b) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—
 23 It shall be an unfair or deceptive act or practice within
 24 the meaning of section 5(a)(1) of the Federal Trade Com-
 25 mission Act (15 U.S.C. 45(a)(1)) for a person, in connec-

1 tion with the assertion of a United States patent, to en-
2 gage in the widespread sending of written communications
3 that state that the intended recipients or any affiliated
4 persons are infringing or have infringed the patent and
5 bear liability or owe compensation to another, if—

6 “(1) the communications falsely threaten that
7 administrative or judicial relief will be sought if com-
8 pensation is not paid or the infringement issue is not
9 otherwise resolved;

10 “(2) the assertions contained in the commu-
11 nications lack a reasonable basis in fact or law, in-
12 cluding, for example, because—

13 “(A) the person asserting the patent is not
14 a person, or does not represent a person, with
15 the current right to license the patent to, or to
16 enforce the patent against, the intended recipi-
17 ents or any affiliated persons; or

18 “(B) the communications seek compensa-
19 tion on account of activities undertaken after
20 the patent has expired; or

21 “(3) the content of the written communications
22 is likely to materially mislead a reasonable recipient,
23 including, for example, because the content fails to
24 include such facts reasonably necessary to inform
25 the recipient of—

1 “(A) the identity of the person asserting a
2 right to license the patent to, or enforce the
3 patent against, the intended recipient or any af-
4 filiated person;

5 “(B) the patent issued by the United
6 States Patent and Trademark Office alleged to
7 have been infringed; and

8 “(C) the reasons for the assertion that the
9 patent may be or may have been infringed.

10 “(c) ENFORCEMENT BY FEDERAL TRADE COMMIS-
11 SION.—

12 “(1) VIOLATION OF RULE.—The engaging of a
13 person in an act or practice described in subsection
14 (b) shall be treated as a violation of a rule defining
15 an unfair or deceptive act or practice described
16 under section 18(a)(1)(B) of the Federal Trade
17 Commission Act (15 U.S.C. 57a(a)(1)(B)).

18 “(2) POWERS OF COMMISSION.—The Federal
19 Trade Commission shall enforce this section in the
20 same manner, by the same means, and with the
21 same jurisdiction, powers, and duties as though all
22 applicable terms and provisions of the Federal Trade
23 Commission Act (15 U.S.C. 41 et seq.) were incor-
24 porated into and made a part of this section.

1 “(3) PRIVILEGES AND IMMUNITIES.—Any per-
 2 son who engages in an act or practice described in
 3 subsection (b) shall be subject to the penalties and
 4 entitled to the privileges and immunities provided in
 5 the Federal Trade Commission Act (15 U.S.C. 41 et
 6 seq.).”.

7 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 8 The table of sections for chapter 29 of title 35, United
 9 States Code, as amended by section 4 of this Act, is
 10 amended by adding at the end the following:

“Sec. 299B. Bad-faith demand letters.”.

11 (c) RULE OF CONSTRUCTION.—Nothing in any
 12 amendment made by this section shall be construed to
 13 limit the authority of the Federal Trade Commission
 14 under any other provision of law or to provide the Federal
 15 Trade Commission with any additional authority.

16 **SEC. 6. SMALL BUSINESS EDUCATION, OUTREACH, AND IN-**
 17 **FORMATION ACCESS.**

18 (a) SMALL BUSINESS EDUCATION AND OUT-
 19 REACH.—

20 (1) RESOURCES FOR SMALL BUSINESS.—Using
 21 existing resources, the Director shall develop edu-
 22 cational resources for small businesses to address
 23 concerns arising from patent infringement.

24 (2) SMALL BUSINESS PATENT OMBUDSMAN.—
 25 The Patent Ombudsman Program established under

1 section 28 of the Leahy-Smith America Invents Act
2 (35 U.S.C. 2 note) shall coordinate with the existing
3 small business outreach programs of the Office to
4 provide education and awareness on abusive patent
5 litigation practices.

6 (b) IMPROVING INFORMATION TRANSPARENCY FOR
7 SMALL BUSINESS AND THE UNITED STATES PATENT AND
8 TRADEMARK OFFICE USERS.—

9 (1) WEB SITE.—Using existing resources, the
10 Director shall create a user-friendly section on the
11 official Web site of the Office to notify the public
12 when a patent case is brought in Federal court and
13 with respect to each patent at issue in such case, the
14 Director shall include—

15 (A) information disclosed pursuant to sec-
16 tion 290 of title 35, United States Code, as
17 amended by section 3(b) of this Act; and

18 (B) any information the Director deter-
19 mines to be relevant.

20 (2) FORMAT.—In order to promote accessibility
21 for the public, the information described in para-
22 graph (1) shall be searchable by patent number, pat-
23 ent art area, and entity.

1 **SEC. 7. IMPROVED POST-ISSUANCE PROCEDURES.**

2 (a) POST-GRANT REVIEW AMENDMENT.—Section
3 325(e)(2) of title 35, United States Code, is amended by
4 striking “or reasonably could have raised”.

5 (b) USE OF DISTRICT-COURT CLAIM CONSTRUCTION
6 IN POST-GRANT AND INTER PARTES REVIEWS.—

7 (1) INTER PARTES REVIEW.—Section 316(a) of
8 title 35, United States Code, is amended—

9 (A) in paragraph (12), by striking “; and”
10 and inserting a semicolon;

11 (B) in paragraph (13), by striking the pe-
12 riod at the end and inserting “; and”; and

13 (C) by adding at the end the following new
14 paragraph:

15 “(14) providing that for all purposes under this
16 chapter—

17 “(A) each claim of a patent shall be con-
18 strued as such claim would be in a civil action
19 to invalidate a patent under section 282(b), in-
20 cluding construing each claim of the patent in
21 accordance with the ordinary and customary
22 meaning of such claim as understood by one of
23 ordinary skill in the art and the prosecution
24 history pertaining to the patent; and

25 “(B) if a court has previously construed
26 the claim or a claim term in a civil action in

1 which the patent owner was a party, the Office
2 shall consider such claim construction.”.

3 (2) POST-GRANT REVIEW.—Section 326(a) of
4 title 35, United States Code, is amended—

5 (A) in paragraph (11), by striking “; and”
6 and inserting a semicolon;

7 (B) in paragraph (12), by striking the pe-
8 riod at the end and inserting “; and”; and

9 (C) by adding at the end the following new
10 paragraph:

11 “(13) providing that for all purposes under this
12 chapter—

13 “(A) each claim of a patent shall be con-
14 strued as such claim would be in a civil action
15 to invalidate a patent under section 282(b), in-
16 cluding construing each claim of the patent in
17 accordance with the ordinary and customary
18 meaning of such claim as understood by one of
19 ordinary skill in the art and the prosecution
20 history pertaining to the patent; and

21 “(B) if a court has previously construed
22 the claim or a claim term in a civil action in
23 which the patent owner was a party, the Office
24 shall consider such claim construction.”.

1 (3) TECHNICAL AND CONFORMING AMEND-
 2 MENT.—Section 18(a)(1)(A) of the Leahy-Smith
 3 America Invents Act (Public Law 112–29; 126 Stat.
 4 329) is amended by striking “Section 321(c)” and
 5 inserting “Sections 321(c) and 326(a)(13)”.

6 (4) EFFECTIVE DATE.—The amendments made
 7 by this subsection shall take effect upon the expira-
 8 tion of the 90-day period beginning on the date of
 9 the enactment of this Act, and shall apply to any
 10 proceeding under chapter 31 or 32 of title 35,
 11 United States Code, for which the petition for review
 12 is filed on or after such effective date.

13 **SEC. 8. PROTECTION OF INTELLECTUAL-PROPERTY LI-**
 14 **CENSES IN BANKRUPTCY.**

15 (a) IN GENERAL.—Section 1520(a) of title 11,
 16 United States Code, is amended—

17 (1) in paragraph (3), by striking “; and” and
 18 inserting a semicolon;

19 (2) in paragraph (4), by striking the period at
 20 the end and inserting “; and”; and

21 (3) by inserting at the end the following new
 22 paragraph:

23 “(5) section 365(n) applies to intellectual prop-
 24 erty of which the debtor is a licensor or which the
 25 debtor has transferred.”.

1 (b) TRADEMARKS.—

2 (1) IN GENERAL.—Section 101(35A) of title 11,
3 United States Code, is amended—

4 (A) in subparagraph (E), by striking “or”;

5 (B) in subparagraph (F), by striking “title
6 17;” and inserting “title 17; or”; and

7 (C) by adding after subparagraph (F) the
8 following new subparagraph: “(G) trademark,
9 service mark, or trade name, as defined in sec-
10 tion 1127 of title 15;”.

11 (2) CONFORMING AMENDMENT.—Section
12 365(n)(2) of title 11, United States Code, is amend-
13 ed—

14 (A) in subparagraph (B)—

15 (i) by striking “royalty payments”
16 and inserting “royalty or other payments”;
17 and

18 (ii) by striking “and” where it ap-
19 pears after the semicolon;

20 (B) in subparagraph (C), by striking the
21 period and inserting “; and”; and

22 (C) by adding at the end the following new
23 subparagraph:

24 “(D) in the case of a trademark, service
25 mark, or trade name, the trustee shall not be

1 relieved of a contractual obligation to monitor
 2 and control the quality of a licensed product or
 3 service.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall take effect on the date of the enactment
 6 of this Act and shall apply to any case that is pending
 7 on, or for which a petition or complaint is filed on or after,
 8 such date of enactment.

9 **SEC. 9. CODIFICATION OF THE DOUBLE-PATENTING DOCTRINE FOR FIRST-INVENTOR-TO-FILE PATENTS.**

12 (a) AMENDMENT.—Chapter 10 of title 35, United
 13 States Code, is amended by adding at the end the fol-
 14 lowing new section:

15 **“§ 106. Prior art in cases of double patenting**

16 “A claimed invention of a patent issued under section
 17 151 (referred to in this section as the ‘first patent’) that
 18 is not prior art to a claimed invention of another patent
 19 (referred to in this section as the ‘second patent’) shall
 20 be considered prior art to the claimed invention of the sec-
 21 ond patent for the purpose of determining the nonobvious-
 22 ness of the claimed invention of the second patent under
 23 section 103 if—

24 “(1) the claimed invention of the first patent
 25 was effectively filed under section 102(d) on or be-

1 fore the effective filing date of the claimed invention
2 of the second patent;

3 “(2) either—

4 “(A) the first patent and the second patent
5 name the same inventor; or

6 “(B) the claimed invention of the first pat-
7 ent would constitute prior art to the claimed in-
8 vention of the second patent under section
9 102(a)(2) if an exception under section
10 102(b)(2) were deemed to be inapplicable and
11 the claimed invention of the first patent was, or
12 were deemed to be, effectively filed under sec-
13 tion 102(d) before the effective filing date of
14 the claimed invention of the second patent; and

15 “(3) the patentee of the second patent has not
16 disclaimed the rights to enforce the second patent
17 independently from, and beyond the statutory term
18 of, the first patent.”.

19 (b) REGULATIONS.—The Director shall promulgate
20 regulations setting forth the form and content of any dis-
21 claimer required for a patent to be issued in compliance
22 with section 106 of title 35, United States Code, as added
23 by subsection (a). Such regulations shall apply to any dis-
24 claimer filed after a patent has issued. A disclaimer, when
25 filed, shall be considered for the purpose of determining

1 the validity of the patent under section 106 of title 35,
 2 United States Code.

3 (c) CONFORMING AMENDMENT.—The table of sec-
 4 tions for chapter 10 of title 35, United States Code, is
 5 amended by adding at the end the following new item:

“106. Prior art in cases of double patenting.”.

6 (d) EXCLUSIVE RULE.—A patent subject to section
 7 106 of title 35, United States Code, as added by sub-
 8 section (a), shall not be held invalid on any nonstatutory,
 9 double-patenting ground.

10 (e) EFFECTIVE DATE.—The amendments made by
 11 this section shall take effect on the date of the enactment
 12 of this Act and shall apply to a patent or patent applica-
 13 tion only if both the first and second patents described
 14 in section 106 of title 35, United States Code, as added
 15 by subsection (a), are patents or patent applications that
 16 are described in section 3(n)(1) of the Leahy-Smith Amer-
 17 ica Invent's Act (35 U.S.C. 100 note).

18 **SEC. 10. TECHNICAL CORRECTIONS TO THE LEAHY-SMITH**
 19 **AMERICA INVENTS ACT.**

20 (a) TECHNICAL CORRECTIONS.—

21 (1) INVENTOR'S OATH OR DECLARATION.—

22 (A) AMENDMENT.—Section 115(g)(1) of
 23 title 35, United States Code, is amended—

24 (i) in the matter preceding subpara-
 25 graph (A), by striking “claims the benefit”

1 and inserting “is entitled, as to each inven-
2 tion claimed in the application, to the ben-
3 efit”; and

4 (ii) in subparagraph (A), by striking
5 “meeting the requirements of subsection
6 (a) was executed by the individual and was
7 filed in connection with the earlier-filed ap-
8 plication” and inserting the following: “ex-
9 ecuted by or on behalf of the individual
10 was filed in connection with the earlier-
11 filed application and meets the require-
12 ments of this section as effective on the
13 date such oath or declaration was filed”.

14 (B) EFFECTIVE DATE.—The amendment
15 made by subparagraph (A) shall be effective as
16 if included in the amendment made by section
17 4(a)(1) of the Leahy-Smith America Invents
18 Act (Public Law 112–29; 125 Stat. 293).

19 (2) NOVELTY.—

20 (A) AMENDMENT.—Section 102(b)(1)(A)
21 of title 35, United States Code, is amended by
22 striking “the inventor or joint inventor or by
23 another” and inserting “the inventor or a joint
24 inventor or another”.

1 (B) EFFECTIVE DATE.—The amendment
2 made by subparagraph (A) shall be effective as
3 if included in the amendment made by section
4 3(b)(1) of the Leahy-Smith America Invents
5 Act (Public Law 112–29; 125 Stat. 285).

6 (3) ASSIGNEE FILERS.—

7 (A) BENEFIT OF EARLIER FILING DATE;
8 RIGHT OF PRIORITY.—Section 119(e)(1) of title
9 35, United States Code, is amended, in the first
10 sentence, by striking “by an inventor or inven-
11 tors named” and inserting “that names the in-
12 ventor or a joint inventor”.

13 (B) BENEFIT OF EARLIER FILING DATE IN
14 THE UNITED STATES.—Section 120 of title 35,
15 United States Code, is amended, in the first
16 sentence, by striking “names an inventor or
17 joint inventor” and inserting “names the inven-
18 tor or a joint inventor”.

19 (C) EFFECTIVE DATE.—The amendments
20 made by this paragraph shall take effect on the
21 date of the enactment of this Act and shall
22 apply to any patent application, and any patent
23 issuing from such application, that is filed on or
24 after September 16, 2012.

25 (4) DERIVED PATENTS.—

1 (A) AMENDMENT.—Section 291(b) of title
2 35, United States Code, is amended by striking
3 “or joint inventor” and inserting “or a joint in-
4 ventor”.

5 (B) EFFECTIVE DATE.—The amendment
6 made by subparagraph (A) shall be effective as
7 if included in the amendment made by section
8 3(h)(1) of the Leahy-Smith America Invents
9 Act (Public Law 112–29; 125 Stat. 288).

10 (5) SPECIFICATION.—Notwithstanding section
11 4(e) of the Leahy-Smith America Invents Act (Pub-
12 lic Law 112–29; 125 Stat. 297), the amendments
13 made by subsections (c) and (d) of section 4 of such
14 Act shall apply to any proceeding or matter, that is
15 pending on, or filed on or after, the date of the en-
16 actment of this Act.

17 (6) PATENT OWNER RESPONSE.—

18 (A) CONDUCT OF INTER PARTES RE-
19 VIEW.—Section 316(a)(8) of title 35, United
20 States Code, is amended by striking “the peti-
21 tion under section 313” and inserting “the peti-
22 tion under section 311”.

23 (B) CONDUCT OF POST-GRANT REVIEW.—
24 Section 326(a)(8) of title 35, United States
25 Code, is amended by striking “the petition

1 under section 323” and inserting “the petition
2 under section 321”.

3 (C) EFFECTIVE DATE.—The amendments
4 made by this paragraph shall take effect on the
5 date of the enactment of this Act.

6 (7) TIME LIMIT FOR COMMENCING MISCONDUCT
7 PROCEEDINGS.—

8 (A) AMENDMENT.—The fourth sentence of
9 section 32 of title 35, United States Code, is
10 amended by striking “1 year” and inserting “2
11 years”.

12 (B) EFFECTIVE DATE.—The amendment
13 made by this paragraph shall apply to any ac-
14 tion in which the Office files a complaint on or
15 after the date of enactment of this Act.

16 **SEC. 11. REPORTS.**

17 (a) STUDY ON SECONDARY MARKET OVERSIGHT FOR
18 PATENT TRANSACTIONS TO PROMOTE TRANSPARENCY
19 AND ETHICAL BUSINESS PRACTICES.—

20 (1) STUDY REQUIRED.—The Director, in con-
21 sultation with the Secretary of Commerce, the Sec-
22 retary of the Treasury, the Chairman of the Securi-
23 ties and Exchange Commission, the heads of other
24 relevant agencies, and interested parties, shall, using
25 existing resources of the Office, conduct a study—

1 (A) to develop legislative recommendations
2 to ensure greater transparency and account-
3 ability in patent transactions occurring on the
4 secondary market;

5 (B) to examine the economic impact that
6 the patent secondary market has on the United
7 States;

8 (C) to examine licensing and other over-
9 sight requirements that may be placed on the
10 patent secondary market, including on the par-
11 ticipants in such markets, to ensure that the
12 market is a level playing field and that brokers
13 in the market have the requisite expertise and
14 adhere to ethical business practices; and

15 (D) to examine the requirements placed on
16 other markets.

17 (2) SUBMISSION OF STUDY.—Not later than 1
18 year after the date of the enactment of this Act, the
19 Director shall submit a report to the Committee on
20 the Judiciary of the House of Representatives and
21 the Committee on the Judiciary of the Senate on the
22 findings and recommendations of the Director from
23 the study required under paragraph (1).

24 (b) STUDY ON PATENTS OWNED BY THE UNITED
25 STATES GOVERNMENT.—

1 (1) STUDY REQUIRED.—The Director, in con-
2 sultation with the heads of relevant agencies and in-
3 terested parties, shall, using existing resources of the
4 Office, conduct a study on patents owned by the
5 United States Government that—

6 (A) examines how such patents are li-
7 censed and sold, with reference to any litigation
8 relating to the licensing or sale of such patents;

9 (B) provides legislative and administrative
10 recommendations on whether there should be
11 restrictions placed on patents acquired from the
12 United States Government;

13 (C) examines whether or not each relevant
14 agency maintains adequate records on the pat-
15 ents owned by such agency, specifically whether
16 such agency addresses licensing, assignment,
17 and Government grants for technology related
18 to such patents; and

19 (D) provides recommendations to ensure
20 that each relevant agency has an adequate
21 point of contact that is responsible for man-
22 aging the patent portfolio of the agency.

23 (2) REPORT ON STUDY.—Not later than 6
24 months after the date of the enactment of this Act,
25 the Director shall submit to the Committee on the

1 Judiciary of the House of Representatives and the
2 Committee on the Judiciary of the Senate a report
3 on the findings and recommendations of the Director
4 from the study required under paragraph (1).

5 (c) STUDY ON PATENT QUALITY AND ACCESS TO
6 THE BEST INFORMATION DURING EXAMINATION.—

7 (1) GAO STUDY.—The Comptroller General of
8 the United States shall conduct a study on patent
9 examination at the Office and the technologies avail-
10 able to improve examination and improve patent
11 quality.

12 (2) CONTENTS OF THE STUDY.—The study re-
13 quired under paragraph (1) shall include the fol-
14 lowing:

15 (A) An examination of patent quality at
16 the Office.

17 (B) An examination of ways to improve
18 quality, specifically through technology, that
19 shall include examining best practices at foreign
20 patent offices and the use of existing off-the-
21 shelf technologies to improve patent examina-
22 tion.

23 (C) A description of how patents are clas-
24 sified.

1 (D) An examination of procedures in place
 2 to prevent double patenting through filing by
 3 applicants in multiple art areas.

4 (E) An examination of the types of off-the-
 5 shelf prior art databases and search software
 6 used by foreign patent offices and governments,
 7 particularly in Europe and Asia, and whether
 8 those databases and search tools could be used
 9 by the Office to improve patent examination.

10 (F) An examination of any other areas the
 11 Comptroller General determines to be relevant.

12 (3) REPORT TO CONGRESS.—Not later than 6
 13 months after the date of the enactment of this Act,
 14 the Comptroller General shall submit to the Com-
 15 mittee on the Judiciary of the House of Representa-
 16 tives and the Committee on the Judiciary of the
 17 Senate a report on the findings and recommenda-
 18 tions from the study required by this subsection, in-
 19 cluding recommendations for any changes to laws
 20 and regulations that will improve the examination of
 21 patent applications and patent quality.

22 (d) STUDY ON PATENT SMALL CLAIMS COURT.—

23 (1) STUDY REQUIRED.—

24 (A) IN GENERAL.—The Director of the
 25 Administrative Office of the United States

1 Courts, in consultation with the Director of the
2 Federal Judicial Center, shall, using existing
3 resources, conduct a study to examine the idea
4 of developing a pilot program for patent small
5 claims courts in certain judicial districts within
6 the existing patent pilot program mandated by
7 Public Law 111–349 (28 U.S.C. 137 note).

8 (B) CONTENTS OF STUDY.—The study
9 conducted under subparagraph (A) shall exam-
10 ine—

11 (i) the number and qualifications for
12 judges that could serve on the courts de-
13 scribed in subparagraph (A);

14 (ii) how the courts described in sub-
15 paragraph (A) would be designated and
16 the necessary criteria;

17 (iii) the costs that would be incurred
18 for establishing, maintaining and operating
19 the pilot program described in subpara-
20 graph (A); and

21 (iv) the steps that would be taken to
22 ensure that the pilot small claims courts
23 are not misused for abusive patent litiga-
24 tion.

1 (2) REPORT.—Not later than 1 year after the
2 date of the enactment of this Act, the Director of
3 the Administrative Office of the United States
4 Courts shall submit a report to the Committee on
5 the Judiciary of the House of Representatives and
6 the Committee on the Judiciary of the Senate on the
7 findings and recommendations from the study re-
8 quired under paragraph (1).

9 **SEC. 12. EFFECTIVE DATE.**

10 Except as otherwise provided in this Act, the provi-
11 sions of this Act shall take effect on the date of the enact-
12 ment of this Act, and shall apply to any patent issued,
13 or any action filed, on or after that date.

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