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.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

(b) TABLE OF CONTENTS.—The table of contents of
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.

Whenever in this Act a section or other provision is amended or repealed, that amendment or repeal shall be considered to be made to that section or other provision of title 35, United States Code.

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

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

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

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

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

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

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

(b) CONDITIONS FOR PATENTABILITY.—

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

§ 102. Conditions for patentability; novelty

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

“(1) the claimed invention was patented, described in a printed publication, or otherwise publicly known—

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

“(B) before the effective filing date of the claimed invention, other than through disclosures made by the inventor or a joint inventor
or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

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

“(b) LIMITATION ON PRIOR ART.—

“(1) COMMONLY ASSIGNED INVENTION EXCEPTION.—Subject matter that would otherwise qualify as prior art only under subsection (a)(2) shall not be prior art to a claimed invention if the subject matter and the claimed invention were, not later than the effective filing date of the claimed invention, owned by the same person or subject to an obligation of assignment to the same person.

“(2) JOINT RESEARCH AGREEMENT EXCEPTION.—

“(A) EXCEPTION.—Subject matter that would otherwise qualify as prior art only under subsection (a)(2) shall not be prior art for purposes of section 103 to a claimed invention if—
“(i) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

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

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

“(B) DEFINITION.—For purposes of subparagraph (A), the term ‘joint research agreement’ means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.

“(3) REASONABLE AND EFFECTIVE ACCESSIBILITY REQUIREMENT.—

“(A) IN GENERAL.—Subject matter is publicly known for the purposes of subsection (a)(1) only when—
“(i) it becomes reasonably and effectively accessible through its use, sale, or disclosure by other means; or

“(ii) it is embodied in or otherwise inherent in subject matter that has become reasonably and effectively accessible.

“(B) Reasonable and effective accessibility.—For purposes of subparagraph (A)—

“(i) subject matter is reasonably accessible if persons of ordinary skill in the art to which the subject matter pertains are able to gain access to the subject matter by without resort to undue efforts; and

“(ii) subject matter is effectively accessible if persons of ordinary skill in the art to which the subject matter pertains are able to comprehend the content of the subject matter without resort to undue efforts.

“(4) Patents and published applications effectively filed.—A patent or application for patent is effectively filed under subsection (a)(2) with respect to any subject matter described in the patent or application—
“(A) as of the filing date of the patent or the application for patent; or

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

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

“102. Conditions for patentability; novelty.”.

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

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

(2) in subsection (a)—

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

(B) by striking “at the time the invention was made” and inserting “before the effective filing date of the claimed invention”.
(d) **Repeal of Requirements for Inventions Made Abroad.**—Section 104, and the item relating to that section in the table of sections for chapter 10, are repealed.

(e) **Repeal of Statutory Invention Registration.**—Section 157, and the item relating to that section in the table of sections for chapter 14, are repealed.

(f) **Earlier Filing Date for Inventor and Joint Inventor.**—Section 120 is amended by striking “which is filed by an inventor or inventors named” and inserting “which names an inventor or joint inventor”.

(g) **Conforming Amendments.**—

(1) **Right of Priority.**—Section 172 is amended by striking “and the time specified in section 102(d)”.

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

(3) **International Application Designating the United States: Effect.**—Section 363 is amended by striking “except as otherwise provided in section 102(e) of this title”.

(4) **Publication of International Application: Effect.**—Section 374 is amended by striking
“sections 102(e) and 154(d)” and inserting “section 154(d)”.

(5) Patent issued on international application: effect.—The second sentence of section 375(a) is amended by striking “Subject to section 102(e) of this title, such” and inserting “Such”.

(6) Limit on right of priority.—Section 119(a) is amended by striking “; but no patent shall be granted” and all that follows through “one year prior to such filing”.

(7) Inventions made with federal assistance.—Section 202(c) is amended—

(A) in paragraph (2)—

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

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

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

(h) **Repeal of Interfering Patent Remedies.**

Section 291, and the item relating to that section in the table of sections for chapter 29, are repealed.

(i) **Inventor’s Rights Contests.**—Section 135(a) is amended to read as follows:

“(a) **Dispute Over Right to Patent.**—

“(1) **Institution of Inventor’s Rights Contest.**—Whenever patents or applications for patent naming different individuals as the inventor are deemed by the Director to interfere because of a dispute over the right to patent under section 101, the Director shall institute an inventor’s rights contest for the purpose of determining the right to patent.

“(2) **Determination by Board of Patent Appeals.**—The Board of Patent Appeals—

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

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

“(C) shall issue a final decision on the right to patent.
“(3) Effect of Final Decision.—The final decision of the Board of Patent Appeals under paragraph (2), if adverse to the claim of an applicant, shall constitute the final refusal by the Patent and Trademark Office on the claims involved. The Director may issue a patent to an applicant who is adjudged to have the right to patent. The final decision of the Board, if adverse to a patentee, shall, if no appeal or other review of the decision has been or can be taken or had, constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office.”.

(j) Board of Patent Appeals.—

(1) Elimination of References to Interferences.—(A) Sections 6, 41, 134, 141, 145, 146, 154, 305, and 314 are each amended by striking “Board of Patent Appeals and Interferences” each place it appears and inserting “Board of Patent Appeals”.

(B) Sections 135, 141, 146, and 154 are each amended by striking “interference” each place it appears and inserting “inventor’s rights contest”.
(C) The section heading for section 6 is amended to read as follows:

“§ 6. Board of Patent Appeals”.

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

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

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

“§ 135. Inventor’s rights contests”.

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

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

(G) Section 154(b)(1)(C) is amended by striking “interferences” and inserting “inventor’s rights contests”.

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


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

“134. Appeal to the Board of Patent Appeals.

“135. Inventor’s rights contests.”.
(J) The item relating to section 146 in the table of sections for chapter 13 is amended to read as follows:

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

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

(A) by striking “(c) Any” and inserting “(c)(1) Any”;  
(B) in the second paragraph, by striking “The Director” and inserting “(2) The Director”; and 
(C) in the third paragraph, by striking “Any discretionary” and inserting “(3) Any discretionary”.

SEC. 4. RIGHT TO A PATENT.

(a) RIGHT TO PATENT.—

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

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

“The inventor of any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, has the right to apply for and to obtain a patent therefor, subject to the conditions and requirements of this title.”.
(2) CONFORMING AMENDMENT.—The item relating to section 101 in the table of sections for chapter 10 is amended to read as follows:

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

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

“§ 115. Oath of applicant

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

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

“§ 118. Filing by other than inventor

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

(d) SPECIFICATION.—Section 112 is amended—
(1) in the first paragraph—

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

(B) by striking “, and shall set forth the best mode contemplated by the inventor of carrying out his invention”;

(2) in the second paragraph—

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

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

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

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

(5) in the fifth paragraph, by striking “A claim” and inserting “(e) REFERENCE IN MULTIPLE DEPENDENT FORM.—A claim”; and
(6) in the last paragraph, by striking “An element” and inserting “(f) ELEMENT IN CLAIM FOR A COMBINATION.—An element”.

SEC. 5. DUTY OF CANDOR.

(a) IN GENERAL.—Chapter 12 of title 35, United States Code, is amended by adding at the end the following:

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

“(a) DUTY.—The Director shall by regulation impose a duty of candor and good faith on individuals associated with the filing and prosecution of an application for patent and on individuals assisting a patent owner in proceedings before the Office involving a patent. The duty shall require each such individual to timely disclose information known to that individual to be material to any issue before the Office in connection with the application or patent, and to not materially misrepresent information. The duty may further address the types of information for which disclosure is required and the standards upon which a finding of misrepresentation or concealment on the part of such individuals could be based. Any allegation of any type of violation of the duty of candor and good faith under this subsection shall be governed exclusively by this chapter.
“(b) VIOLATION.—Any individual who is subject to
the duty of candor and good faith under subsection (a)
and who, with the intent to deceive or mislead, knowingly
fails to disclose material information or knowingly and
materially misrepresents information has engaged in mis-
conduct under this section, if the Director or a court under
subsection (d), as the case may be, finds, by clear and
convincing evidence, that—

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

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

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

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

“(c) ADJUDICATION BY THE OFFICE.—

“(1) OTHER FORA PRECLUDED.—No court or
Federal department or agency other than the Office,
and no other Federal or State governmental entity,
may investigate or make a determination or an adju-
dication with respect to an alleged violation of the
duty of candor and good faith under subsection (a) or with respect to an alleged fraud, inequitable conduct, or other misconduct in any proceeding before the Office involving a patent or in connection with the filing or examination of an application for patent, except as expressly permitted in this section.

“(2) EXCEPTION REGARDING PENDING APPLICATIONS.—Nothing in this subsection shall limit the authority of the Director to enforce regulations concerning pending applications for patent, including regulations relating to misconduct.

“(3) LIMITATION ON DEFENSES TO ENFORCEMENT OF PATENT.— No defense of invalidity of a patent or other defense to the enforcement of a patent may be based in whole or in part upon a violation of the duty of candor and good faith under subsection (a) or on any fraud, inequitable conduct, or other misconduct, except as expressly permitted in this section.

“(4) REFERRAL BY COURT.—In any matter before a court involving an issue of validity or infringement of a patent, if the court determines that an issue of possible misconduct under subsection (b) exists, the court shall refer the matter to the Office for investigation and sanctions under this section. If
such referral is made, the matter shall be resolved as provided in this section.

“(d) UNENFORCEABILITY ACTION.—

“(1) IN GENERAL.—A patent may be held unenforceable if a court determines, pursuant to a pleading permitted under paragraph (2), that—

“(A) misconduct under subsection (b) has occurred and constitutes fraud by reason of reliance by the Office on the misconduct which has resulted in the issuance of, or a certificate affirming patentability of, one or more invalid claims in a patent; and

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

“(2) REQUIRED MOTION TO PLEAD UNENFORCEABILITY.—The defense of unenforceability described in paragraph (1) may be pled in an action before a court only upon a motion to amend the pleadings in the action. The court shall not grant the motion unless—

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

“(B) the court has previously entered a judgment in the action that a claim in the patent is invalid;
“(C) the motion to amend the pleadings is brought by a party to the action adverse to the patent owner within 3 months after a judgment is entered by the court invalidating the claim; and

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

“(i) because of the reliance of the Office on the misconduct, fraud took place in a proceeding before the Office involving the patent or in connection with the filing or examination of the application for patent, and as a result at least 1 claim in the patent invalidated in the action was issued as a result of the reliance on the misconduct; and

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

“(3) REQUIRED FINDINGS FOR UNENFORCEABILITY.—

“(A) LIABILITY OF PATENT OWNER.—In determining the unenforceability of a patent, no misconduct under subsection (b) by an individual registered to practice before the Office and acting in a representative capacity before
the Office in a proceeding before the Office involving the patent or in connection with the filing or examination of the application for patent shall be attributable to the patent owner unless the patent owner, or another individual who—

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

“(ii) is not registered to practice before the Office, and

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

is determined to have violated the duty of candor and good faith.

“(B) RELIANCE OF THE PATENT EXAMINER.—No misconduct may be determined to constitute fraud sufficient to support a finding that a patent is unenforceable without clear and convincing evidence of reliance of the Office on the alleged misconduct, resulting in the issuance of a claim invalidated by the court because a competent patent examiner either—

“(i) would not have issued the invalidated claim, acting reasonably, in the absence of the misconduct; or
“(ii) based upon the prosecution history as a whole objectively considered, would have done so based upon in whole or in part on account of the misconduct.

“(e) INVESTIGATION OF MISCONDUCT.—

“(1) IN GENERAL.—The Director shall establish a special office with authority to investigate possible violations of the duty of candor and good faith, including possible misconduct, in a proceeding before the Office involving a patent or in connection with the filing or examination of an application for patent, in cases in which such matters are referred to the Office for investigation under subsection (c)(4). The special office shall, following such referral, commence an investigation into possible violations of the duty. After such an investigation is begun, any subsequent decision to maintain the investigation or abandon the investigation may be made only by the Director, and such decision may not be appealed or reviewed.

“(2) PROCEDURES.—

“(A) SUBPOENAS.—During the period in which a misconduct investigation is conducted under paragraph (1), the matter shall be a contested case in the Office and the Director may
seek evidence or other information through subpoenas under section 24.

“(B) NOTICE; SUBJECT PARTIES.—The Director shall provide written notice to the patent owner of the commencement of the investigation and may provide such written notice to persons who were owners of the patent or application for patent (or persons to whom the patent or application for patent was subject to an obligation of assignment) at the time the conduct that is the subject of the investigation occurred. Any person receiving written notice under this subparagraph shall be designated as a ‘subject party.’ The Director shall provide written notice under this subparagraph of an investigation before seeking any evidence under section 24, but otherwise at such time as the Director shall determine. Upon providing such written notice to the subject parties, the Director shall publish a notice of the commencement of the investigation in the Federal Register.

“(C) OBTAINING EVIDENCE.—Upon request of a subject party, the Director shall determine the manner in which to allow a subject party to obtain evidence of potential relevance,
including by authorizing the subject party to seek subpoenas under section 24.

“(D) PRELIMINARY DETERMINATION.—The Director, at the earliest practicable time after the date on which notice of the investigation is published under subparagraph (B), shall conclude the investigation and make a preliminary determination on the issues under investigation. The Director shall, within 45 days after an investigation is begun, establish a target date for rendering a preliminary determination.

“(E) CONSULTATION WITH OTHER DEPARTMENTS AND AGENCIES.—During the course of each investigation under this section and section 137, the Director may consult with, seek advice and information from, and otherwise obtain assistance from the Attorney General, the Federal Trade Commission, the International Trade Commission, the Securities and Exchange Commission, and the heads of such other departments and agencies as the Director considers appropriate.

“(3) NOTICE OF DETERMINATION.—
“(A) If no misconduct found.—If the Director determines in an investigation under paragraph (2) that there is no basis for concluding that misconduct under subsection (b) has occurred, the Director shall provide written notice of such determination to each of the subject parties not later than 1 month after the conclusion of the investigation. A determination of the Director under this subparagraph is final and may not be appealed.

“(B) If misconduct may have occurred.—If the Director makes a preliminary determination in an investigation under paragraph (2) that misconduct under subsection (b) may have occurred, the Director shall provide written notice of the preliminary determination to each of the subject parties not later than 1 month after the conclusion of the investigation. Such written notice shall provide a description with particularity of the separate acts alleged to constitute such possible misconduct. The Director shall afford the subject parties an opportunity to respond to the preliminary determination and a period of time within which to reach
a settlement of the issue before taking any further action.

“(4) Final determination; appeal to board.—

“(A) In general.—If a matter relating to possible misconduct is not settled under paragraph (3), the preliminary determination shall become final and may not be appealed unless 1 or more of the subject parties contests the preliminary determination by requesting a hearing on the matter, within 2 months after the end of the settlement period provided under paragraph (3)(B), before a panel of the Board of Patent Appeals.

“(B) Hearing.—If a hearing is timely requested under subparagraph (A), the hearing shall provide the Director and the patent owner an opportunity to present evidence and arguments.

“(C) Determination of panel.—The panel shall, not later than 1 year after the date of the request by 1 or more of the subject parties for a hearing under subparagraph (B), issue a written determination containing findings of facts and conclusions of law on the mat-
ters before it. If the written determination by
the panel concludes that one or more alleged
violations of the duty of candor and good faith
do not constitute acts of misconduct, then the
determination is final with respect to such
issues of possible misconduct and may not be
appealed, and no penalty shall be imposed with
respect to such issues. If the written determina-
tion by the panel concludes that one or more al-
leged violations of the duty of candor and good
faith do constitute acts of misconduct, then the
decision of the panel shall represent a final de-
termination of the Office on the matters in-

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

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

“(B) the legal conclusions reached;
“(C) a description of each separate act of misconduct determined to have taken place;
“(D) the amount of any civil monetary penalty imposed against the subject parties under paragraph (6); and
“(E) a deadline for payment of any penalty imposed, which may not be earlier than 6 months after the date on which the notice is provided to the patent owner under this paragraph of the final determination.
“(6) PENALTY AMOUNT.—
“(A) IN GENERAL.—Subject to the limitations of this paragraph, the Director may impose civil monetary penalties on each subject party for each act of misconduct of which notice is given under paragraph (5), in amounts that the Director considers sufficient in the Director’s discretion to act as a deterrent to future such violations of the duty of candor and good faith under this section, taking into account the totality of the circumstances in each individual case.
“(B) LIMITATION ON AMOUNT.—The amount of a civil penalty imposed under subparagraph (A) may not exceed $1,000,000 for
each separate act of misconduct, except that in
a case in which the violation of the duty of can-
dor and good faith is found to be the result of
fraudulent or other particularly egregious mis-
conduct, the penalty imposed may not exceed
$5,000,000 for such act of misconduct. In an
exceptional case, the Director may impose an
additional penalty in an amount equal to the
costs incurred by the Director in conducting the
investigation.

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

“(7) TOLLING OF PENALTY; FAILURE OF TIM-
ELY PAYMENT.—The deadline for payment of any
penalty imposed shall be tolled during the pendency
of an appeal brought by a subject party under paragraph (8). If the patent owner fails to make timely payment of any penalty imposed on the patent owner, including any penalty for which the patent owner is jointly liable, before the expiration of the deadline provided under paragraph (5)(E), the failure to pay the penalty constitutes a disclaimer of all enforceable rights in each patent involved in the violation of the duty of candor and good faith for which the penalty was imposed.

“(8) APPEAL.—A subject party dissatisfied with the final determination of the Director under this section may, unless the penalty has been paid pursuant to the final determination, appeal the determination under sections 141 through 144.

“(f) OTHER ACTIONS NOT SUBJECT TO PREEMPTION.—Nothing in this section shall in any manner operate to—

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

“(2) limit the ability of the courts of any State or the District of Columbia to investigate and make
determinations with respect to issues of attorney malpractice and impose sanctions on an attorney for malpractice; or

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

“(g) ACTIONS BASED UPON PRIOR MISCONDUCT ADJUDICATION.—If a final, nonappealable adjudication of misconduct has been made based upon a criminal action not subject to preemption under subsection (f)(1), a fraud pleading described in subsection (d), or a misconduct proceeding instituted pursuant to a referral described in subsection (e)(1), such adjudication of misconduct may be used as a basis for pursuing further remedies under any Federal or State law, including common law, except that nothing in this subsection shall authorize any investigation or determination of misconduct that is otherwise preempted under this section.

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

“(a) DUTY.—The Director shall prescribe by regulation a duty of candor and good faith applicable to individuals who are parties adverse to a patent or application for patent in contested cases before the Office. The duty
shall apply to individuals associated with such a proceeding on behalf of a party adverse to the patent or application. Each such individual shall timely disclose information known to that individual to be material to issues raised or responded to by the adverse party on whose behalf the individual is involved and shall not materially misrepresent information.

“(b) MISCONDUCT.—Misconduct under this section shall be defined with respect to individuals described in subsection (a) in the same manner as that provided in section 136(b) with respect to individuals under that section. The Director may conduct an investigation of possible misconduct by an individual based upon a violation of the duty described in subsection (a) in the manner provided in section 136(e), except that the written notice described in section 136(e)(2)(B) shall be given by the Director to each party on whose behalf an individual is acting who is being investigated for possible violation of the duty of candor and good faith under this section. The persons receiving such written notice shall be the subject parties of the investigation. If, on the basis of an investigation the Director determines that there is a basis for concluding that a violation of the duty that amounts to misconduct may have occurred, the Director shall provide written notice of the preliminary determination to each subject party
and shall afford the subject party an opportunity to reach
a settlement of the issue before taking any further action.

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

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

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

(c) REMOVAL OF DECEPTIVE INTENT RESTRI-
CTION.—

(1) INVENTOR.—

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

(i) by striking “Whenever” and insert-
ing “(c) CORRECTION OF ERRORS IN AP-
PLICATION.—Whenever”; and
(ii) by striking “, and such error arose without any deceptive intention on his part”.

(B) CORRECTION OF NAMED INVENTOR.—

Section 256 is amended—

(i) in the first paragraph—

(I) by striking “Whenever” and inserting “(a) CORRECTION.—Whenever”; and

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

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

(2) FILING.—

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

(i) by striking “Except when” and inserting “(a) FILING IN FOREIGN COUNTRY.—Except when”; and

(ii) by striking “and without deceptive intent”.
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(B) PATENT BARRED FOR FILING WITHOUT LICENSE.—Section 185 is amended by striking “and without deceptive intent”.

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

(A) by striking “Whenever” and inserting

“(a) IN GENERAL.—Whenever”; and

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

(4) DISCLAIMER.—The first paragraph of section 253 is amended—

(A) by striking “Whenever” and inserting

“(a) IN GENERAL.—Whenever”; and

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

(5) ACTION FOR INFRINGEMENT.—Section 288 is amended by striking “, without deceptive intention,”.

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

(A) in the first paragraph, by striking “When” and inserting “(a) JOINT INVENTIONS.—When”; and
(B) in the second paragraph, by striking “If a joint inventor” and inserting “(b) OMITTED INVENTOR.—If a joint inventor”.

(2) Section 184 is amended—

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

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

(3) Section 251 is amended—

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

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

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

(4) Section 253 is amended in the second paragraph, by striking “in like manner” and inserting “(b) ADDI-
TIONAL DISCLAIMER OR DEDICATION.—In the manner set forth in subsection (a),”.

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

Section 284 is amended—

(1) in the first paragraph—

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

(B) by adding at the end the following: “In determining a reasonable royalty in the case of a combination, the court shall consider, if relevant and among other factors, the portion of the realizable profit that should be credited to the inventive contribution as distinguished from other features of the combination, the manufacturing process, business risks, or significant features or improvements added by the infringer.”;

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

“(b) WILLFUL INFRINGEMENT.—

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

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

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

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

“(ii) identifying with particularity
each claim of the patent, each product or
process that the patent owner alleges in-
fringes the patent, and the relationship of
such product or process to such claim,
the infringer, after a reasonable opportunity to
investigate, thereafter performed one or more of
the alleged acts of infringement;

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

“(C) after having been found by a court to
have infringed that patent, the infringer en-
gaged in conduct that was not colorably dif-
ferent from the conduct previously found to
have infringed the patent, and which resulted in
a separate finding of infringement of the same
patent.

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

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

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

“(4) LIMITATION ON PLEADING.—A patentee
may not plead, and a court may not determine, that
an infringer has willfully infringed a patent before
the date on which a determination has been made
that the patent in suit is not invalid, is enforceable,
and has been infringed by the infringer.”; and
(3) in the third paragraph, by striking “The court” and inserting “(c) EXPERT TESTIMONY.—The court”.

SEC. 7. INJUNCTIONS.

Section 283 is amended by adding at the end the following:

“In determining equity, the court shall consider the fairness of the remedy in light of all the facts and the relevant interests of the parties associated with the invention. Unless the injunction is entered pursuant to a nonappealable judgment of infringement, a court shall stay the injunction pending an appeal upon an affirmative showing that the stay would not result in irreparable harm to the owner of the patent and that the balance of hardships from the stay does not favor the owner of the patent.”

SEC. 8. CONTINUATION APPLICATIONS.

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

“§ 123. Limitations on continuation applications

“The Director may by regulation limit the circumstances under which an application for patent, other than a divisional application that meets the requirements for filing under section 121, may be entitled to the benefit under section 120 of the filing date of a prior-filed application. No such regulation may deny applicants an adequate
opportunity to obtain claims for any invention disclosed
in an application for patent.”.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 11 is amended by adding at the end the following new item:

“123. Limitations on continuation applications.”.

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

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

(1) by striking subparagraph (B); and

(2) in subparagraph (A)—

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

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

(b) DEFENSE TO INFRINGEMENT BASED ON EARLIER INVENTOR.—Section 273 of title 35, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “of a method”; and

(ii) by striking “review period;” and

inserting “review period; and”;
(B) in paragraph (2)(B), by striking the
semicolon at the end and inserting a period;
and
(C) by striking paragraphs (3) and (4);
(2) in subsection (b)—
(A) in paragraph (1)—
(i) by striking “for a method”; and
(ii) by striking “at least 1 year before
the effective filing date of such patent,
and” and all that follows through the pe-
riod and inserting “and commercially used,
or made substantial preparations for com-
mercial use of, the subject matter before
the effective filing date of the claimed in-
vention.”;
(B) in paragraph (2)—
(i) by striking “The sale or other dis-
position of a useful end result produced by
a patented method” and inserting “The
sale or other disposition of subject matter
that qualifies for the defense set forth in
this section”; and
(ii) by striking “a defense under this
section with respect to that useful end re-
sult” and inserting “such defense”; and
(C) in paragraph (3)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

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

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

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

e Table of Sections.—The item related to section 273 in the table of sections for chapter 28 is amended to read as follows:

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

d Reexamination.—Section 315(e) is amended by striking “or could have raised”.

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

f Post-Grant Opposition Procedures.—

(1) In General.—Part III is amended by adding at the end the following new chapter:
CHAPTER 32—POST-GRANT OPPOSITION

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.
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.

§ 321. Right to oppose patent; opposition request

(a) FILING OF OPPOSITION.—A person may request that the grant or reissue of a patent be reconsidered by the Office by filing an opposition seeking to invalidate one or more claims in the patent. The Director shall establish, by regulation, fees to be paid by the opposer. Copies of patents and printed publications to be relied upon in support of the request must be filed with the request. If an opposer relies on other factual evidence or on expert opinions in support of the opposition, such evidence and opinions must be filed with the request through one or more accompanying affidavits or declarations.
“(b) Copies Provided to Patent Owner.—Copies of any documents filed under subsection (a) must be provided to the patent owner or, if applicable, the designated representative of the patent owner, at the time of filing under subsection (a), except that if a request is made under section 322(b) that the identity of a real party in interest be kept separate, then the identity of the real party in interest may be redacted from the copies provided.

“(c) File Available to the Public.—The file of any opposition proceeding shall be made available to the public except as provided in section 322.

“§ 322. Real party in interest

“(a) Identification.—The person making the request under section 321 shall identify in writing each real party in interest, and the opposition shall proceed in the name of the real party in interest.

“(b) Identity Kept Secret Upon Request.—

“(1) In general.—Subject to paragraph (2), if requested by the opposer, the identity of a real party in interest shall be kept separate from the file of the opposition and made available only to Government agencies upon written request, or to any person upon a showing of good cause. If the identity of a real party in interest is kept separate from the file
under this subsection, then the opposition shall proceed in the name of the individual filing the request as representative of the real party in interest.

“(2) EXCEPTION.—No request under this paragraph (1) to keep the identity of a real party in interest separate from the file of the opposition may be made or maintained if the opposer relies upon factual evidence or expert opinions in the form of affidavits or declarations during the opposition proceeding or if the opposer becomes a party to an appeal under section 141.

“§ 323. Timing of opposition request

“An person may not make an opposition request under section 321 later than 9 months after the grant of the patent or issuance of a reissue patent, or later than 6 months after receiving notice from the patent holder alleging infringement, except that, if the patent owner consents in writing, an opposition request may be filed at any time during the period of enforceability of the patent. A court having jurisdiction over an issue of validity of a patent may not require the patent owner to consent to such a request.

“§ 324. Limits on scope of validity issues raised

“An opposition request must identify with particularity the claims that are alleged to be invalid and, as to
each claim, one or more issues of invalidity on which the opposition is based. The issues of invalidity that may be considered during the opposition proceeding are double patenting and any of the requirements for patentability set forth in sections 101, 102, 103, 112, and 251(d).

§325. Institution of the opposition proceeding; stay upon timely filed suit

“(a) Determination on Opposition Request; Institution of Opposition Proceeding.—

“(1) Determination by the Director.—For each opposition request submitted under section 321(a), the Director shall determine if the written statement, and any evidence submitted with the request, establish that a substantial question of patentability exists for at least one claim in the patent. The Director shall notify the patent owner and each opposer in writing of the Director’s findings, not later than the date in which an opposition proceeding is instituted pursuant to the request. Any determination made by the Director under this paragraph shall not be appealable.

“(2) Institution.—If the Director makes a determination under paragraph (1) that a substantial question of patentability exists, the Director shall commence an opposition proceeding. The Di-
rector shall institute such proceeding not earlier than the date on which the applicable period specified in section 323 expires, and not later than the date that is three months after such date. Absent a showing of good cause, the opposition proceeding shall be limited to review of the claim or claims and the issues identified in the opposition request.

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

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

“(c) ASSIGNMENT TO PANEL.—The Director shall assign the opposition proceeding to a panel of three administrative patent judges (in this chapter referred to as the ‘panel’). The panel shall decide the questions of patentability raised in the opposition request. The decision shall be based upon the prosecution record that was the basis for the grant or reissue of the patent and the additional submissions by the parties to the opposition proceeding authorized under this chapter. The panel may, in appro-
appropriate cases, divide the opposition into separate proceedings if the opposition involves multiple opposition requests by different parties.

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

“§ 326. Patent owner response

“After the Director has instituted an opposition proceeding under section 325, the patent owner shall have the right to file, within a time period set by the panel, a response to each opposition request that results in a determination under section 325(a)(2) to institute an opposition proceeding. The patent owner shall file with the response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response.

“§ 327. Amendment of claims

“The patent owner is entitled to request amendment of any claims that are the subject of an opposition proceeding under this chapter, including by the addition of new claims. Any such request for amendment shall be filed
with the patent owner’s response to an opposition request.

The panel may permit further requests for amendment of the claims only upon good cause shown by the patent owner. No amendment enlarging the scope of the claims of the patent shall be permitted in the opposition proceeding.

“§ 328. Discovery and sanctions

“(a) DEPOSITIONS.—After an opposition proceeding under this chapter is instituted, the patent owner shall have the right to depose each person submitting an affidavit or declaration on behalf of any opposer, and each opposer shall have the right to depose each person submitting an affidavit or declaration on behalf of the patent owner. Such depositions shall be limited to cross-examination on matters relevant to the affidavit or declaration.

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

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

“(d) CONSEQUENCES FOR FAILURE TO RESPOND PROPERLY.—If any party to an opposition proceeding fails to properly respond to any discovery under subsection
(a) or (b), the panel may draw appropriate adverse inferences and take other action permitted by statute, rule, or regulation.

“§ 329. Supplemental submissions

“The panel may permit one or more supplemental submissions to be made by any party to an opposition proceeding under this chapter, subject to the rights and limitations on discovery under section 328.

“§ 330. Hearing and briefs

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

“§ 331. Written decision

“The panel shall issue a written decision on each issue of patentability with respect to each claim that is the subject of an opposition proceeding under this chapter. The written decision shall consist of findings of fact and conclusions of law. The written decision shall become a final determination of the Office on the issues raised in
the opposition unless a party to the opposition files a request for reconsideration and modification of the written decision within a period of time set by the panel. Such time period shall not be less than two weeks after the date of the written decision.

§ 332. Burden of proof and evidence

“(a) Burden of Proof.—The opposer in an opposition proceeding under this chapter shall have the burden to prove the invalidity of a claim by a preponderance of the evidence. The determination of invalidity shall be based upon the broadest reasonable construction of the claim.

“(b) Evidence.—The Federal Rules of Evidence shall apply to the opposition proceeding, except to the extent inconsistent with any provision of this chapter.

§ 333. Reconsideration

“If a request is filed for reconsideration of the written decision in an opposition proceeding under this chapter, the panel may authorize a party to the proceeding who did not file such a request to file a response to the request for reconsideration. Following any reconsideration, the panel shall either deny the request for modification of the written decision or grant the request and issue a modified written decision, which shall constitute the final deter-
mination of the Office on the issues raised in the opposition proceeding.

§ 334. Appeal

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

§ 335. Certificate

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

§ 336. Estoppel

“(a) ESTOPPEL.—

“(1) IN GENERAL.—Subject to paragraph (2), after a certificate has been issued under section 335 in accordance with the decision of the panel in an opposition proceeding, the determination with respect to an issue of invalidity raised by an opposer shall bar the opposer from asserting, in any subse-
quent proceeding before the Office or a court involving that opposer under this title, that any claim of that patent addressed in the opposition proceeding is invalid on the basis of any issue of fact or law actually decided by the panel and necessary to the determination of that issue.

“(2) EXCEPTION.—If an opposer in an opposition proceeding demonstrates in a subsequent proceeding referred to in paragraph (1) that there is additional factual evidence that is material to an issue of fact actually decided and necessary to the final determination in the opposition proceeding, that could not reasonably have been discovered by that opposer, the opposer may raise, in that subsequent proceeding, that issue of fact and any determined issue of law for which the issue of fact was necessary.

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

“(c) NEW PARTY IN INTEREST.—If a proceeding arising by reason of additional factual evidence raised under subsection (a)(2) involves a real party in interest not identified to the patent owner under section 322, the
real party in interest shall notify the Director and the patent owner of that fact and of the subsequent proceeding, within 30 days after receiving notice that the subsequent proceeding has been filed.

“§ 337. Duration of opposition

“The final determination of a panel described in section 333 shall issue not later than one year after the date on which the opposition proceeding is instituted under section 325. Upon good cause shown, the Director may extend the 1-year period by not more than six months.

“§ 338. Settlement

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

“(b) AGREEMENTS IN WRITING.—Any agreement or understanding between the patent owner and an opposer, including any collateral agreements referred to therein,
that is made in connection with or in contemplation of
the termination of an opposition proceeding, shall be in
writing. An opposition proceeding as between the parties
to the agreement or understanding shall not be terminated
until a true copy of the agreement or understanding, in-
cluding any such collateral agreements, has been filed in
the Office. If any party filing an agreement or under-
standing requests, the agreement or understanding shall
be kept separate from the file of the opposition, and shall
be made available only to Government agencies on written
request, or to any person on a showing of good cause.

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

“§ 339. Intervening rights

“Any proposed amended or new claim determined to
be patentable and incorporated into a patent following an
opposition proceeding under this chapter shall have the
same effect as that specified in section 252 of this title
for reissued patents on the right of any person who made,
purchased, or used within the United States, or imported
into the United States, anything patented by such pro-
posed amended or new claim, or who made substantial
preparation therefor, before the certificate is issued under
section 335 with respect to that amended or new claim.
“§ 340. Relationship with reexamination proceedings

A patent for which an opposition proceeding has been instituted under this chapter may not thereafter be made the subject of a request under section 302 or 311 for reexamination by the same opposer or on behalf of the same real party in interest, on the same claim and on the same issue that was the basis of the opposition proceeding.

An ex parte reexamination request made by a person other than the patent owner during the 9-month or 6-month period specified in section 323, or an inter partes reexamination request made during the 9-month or 6-month period specified in section 323, shall be treated as a request under section 321, and no ex parte reexamination or inter partes reexamination may be ordered based on such request. A request for ex parte reexamination or inter partes reexamination made after the 9-month or 6-month period specified in section 323, and a request for ex parte reexamination made by the patent owner at any time, shall be stayed during the pendency of any opposition proceeding under this chapter.”.

(g) CONFORMING AMENDMENT.—The table of chapters for part III of title 35, United States Code, is amended by adding at the end the following:

“32. Post-Grant Opposition Procedures.....321.”.
SEC. 10. SUBMISSIONS BY THIRD PARTIES.

Section 122 is amended by adding at the end the following:

“(e) PREISSUANCE SUBMISSIONS BY THIRD PARTIES.—

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

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

“(B) either—

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

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

whichever occurs later.

“(2) OTHER REQUIREMENTS.—Any submission under paragraph (1) shall—
“(A) set forth a concise description of the asserted relevance of each submitted document;
“(B) be accompanied by such fee as the Director may prescribe; and
“(C) include a statement by the submitter affirming that the submission was made in compliance with this section.”.

SEC. 11. APPLICABILITY; TRANSITIONAL PROVISIONS.

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

(b) Sections 4, 6, and 7.—The amendments made by sections 4, 6, and 7 shall take effect on the date of the enactment of this Act, except that such amendments shall not apply to any action brought in any court before such date of the enactment.
(c) SECTION 5.—The amendments made by section 5 shall take effect on the date of the enactment of this Act and shall apply to patents issued on or after such date of enactment, except that, in any action brought on or after the date of the enactment of this Act in any court involving a patent issued before the date of the enactment of this Act, the patent owner may consent to—

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

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

(d) SECTION 8.—Any regulations issued under section 123 of title 35, United States Code, as added by section 8 of this Act, shall apply to any application for patent that is filed on or after the effective date of such regulations. Such regulations may not take effect before the end of the 1-year period beginning on the date of the enactment of this Act.

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

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

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

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

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

(ii) such later date that the Director may establish through notice published in the Federal Register; and

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

(f) SECTION 10.—The amendments made by section 10 shall take effect at the end of the 1-year period beginning on the date of the enactment of this Act.
(g) Determining Validity of Claims.—For the purpose of determining the validity of a claim in any patent or the patentability of any claim in a nonprovisional application for patent that is made before the effective date of the amendments made by section 3, other than in an action brought in a court before the date of the enactment of this Act—

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

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

(3) the term “in public use or on sale” as used in section 102(b) of title 35, United States Code, shall be deemed to exclude the use, sale, or offer for sale of any subject matter that had not become reasonably and effectively accessible to persons of ordinary skill in the art to which the subject matter per-
tains, as defined in the amendments made by section 3 of this Act.

(h) **Effect of European Patent Convention and Patent Laws of Japan.**—Before the date, if ever, that the Director of the United States Patent and Trademark Office publishes a notice in the Official Gazette of the Office declaring that both the European Patent Convention and the patent laws of Japan afford inventors seeking patents a 1-year period prior to the effective filing date of a claimed invention during which disclosures made by the inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor do not constitute prior art, the term “effective filing date” as used in section 102(a)(1)(A) of title 35, United States Code, shall be construed by disregarding any right of priority except that provided under section 119(e) of title 35, United States Code.