

113TH CONGRESS  
1ST SESSION

# S. 1720

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

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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

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## 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 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(e)” and  
5           inserting “Sections 321(e) 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 DOC-**  
10 **TRINE FOR FIRST-INVENTOR-TO-FILE PAT-**  
11 **ENTS.**

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 Invents 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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