

**AMENDMENT TO H.R. 1249**  
**OFFERED BY MR. SMITH OF TEXAS**

Page 2, insert the following before line 1 and redesignate succeeding sections and references thereto accordingly, and conform the table of contents accordingly:

**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 (3) PATENT PUBLIC ADVISORY COMMITTEE.—  
10 The term “Patent Public Advisory Committee”  
11 means the Patent Public Advisory Committee estab-  
12 lished under section 5(a)(1) of title 35, United  
13 States Code.

14 (4) TRADEMARK ACT OF 1946.—The term  
15 “Trademark Act of 1946” means the Act entitled  
16 “Act to provide for the registration and protection  
17 of trademarks used in commerce, to carry out the  
18 provisions of certain international conventions, and

1 for other purposes”, approved July 5, 1946 (15  
2 U.S.C. 1051 et seq.) (commonly referred to as the  
3 “Trademark Act of 1946” or the “Lanham Act”).

4 (5) TRADEMARK PUBLIC ADVISORY COM-  
5 MITTEE.—The term “Trademark Public Advisory  
6 Committee” means the Trademark Public Advisory  
7 Committee established under section 5(a)(1) of title  
8 35, United States Code.

Page 4, lines 2 and 3, strike “or in public use, on sale, or otherwise available to the public” and insert “or otherwise disclosed to the public”.

Page 4, line 15, after “disclosure” insert “to the public”.

Page 4, line 24, and page 5, line 12, strike “publicly disclosed” and insert “disclosed to the public”.

Page 12, line 24, strike “beginning” and insert “beginning on”.

Page 23, insert the following after line 9:

9 (o) IMPLEMENTATION BY THE PATENT AND TRADE-  
10 MARK OFFICE.—In any guidelines for the examination of  
11 patents addressing whether a disclosure to the public has  
12 been made under section 102 of title 35, United States  
13 Code, as amended by this section, the Office shall use the

1 public accessibility criteria employed by the courts in ad-  
2 dressing whether a disclosure constitutes a printed publi-  
3 cation under section 102 of title 35, United States Code,  
4 as in effect on the day before the date of the enactment  
5 of this Act. Such public accessibility criteria shall be used  
6 regardless of the manner in which the disclosure resulted  
7 in the subject matter disclosed being known or used.

8 (p) STUDY OF PATENT LITIGATION.—

9 (1) GAO STUDY.—The Comptroller General of  
10 the United States shall conduct a study of the con-  
11 sequences of litigation by non-practicing entities, or  
12 by patent assertion entities, related to patent claims  
13 made under title 35, United States Code, and regu-  
14 lations authorized by that title.

15 (2) CONTENTS OF STUDY.—The study con-  
16 ducted under this subsection shall include the fol-  
17 lowing:

18 (A) The annual volume of litigation de-  
19 scribed in paragraph (1) over the 20-year pe-  
20 riod ending on the date of the enactment of this  
21 Act.

22 (B) The volume of cases comprising such  
23 litigation that are found to be without merit  
24 after judicial review.

1 (C) The impacts of such litigation on the  
2 time required to resolve patent claims.

3 (D) The estimated costs, including the es-  
4 timated cost of defense, associated with such  
5 litigation for patent holders, patent licensors,  
6 patent licensees, and inventors, and for users of  
7 alternate or competing innovations.

8 (E) The economic impact of such litigation  
9 on the economy of the United States, including  
10 the impact on inventors, job creation, employ-  
11 ers, employees, and consumers.

12 (F) The benefit to commerce, if any, sup-  
13 plied by non-practicing entities or patent asser-  
14 tion entities that prosecute such litigation.

15 (3) REPORT TO CONGRESS.—The Comptroller  
16 General shall, not later than the date that is 1 year  
17 after the date of the enactment of this Act, submit  
18 to the Committee on the Judiciary of the House of  
19 Representatives and the Committee on the Judiciary  
20 of the Senate a report on the results of the study  
21 required under this subsection, including rec-  
22 ommendations for any changes to laws and regula-  
23 tions that will minimize the negative impact of abu-  
24 sive patent litigation on the patent process.

Page 32, line 4, strike “or outside”.

Page 32, line 4, add “and” after the semicolon.

Page 32, strike lines 5 through 7 and insert the following:

1 (B) by striking paragraphs (3) and (4).

Page 32, strike lines 9 and 10 and insert the following:

2 (A) in paragraph (1)—  
3 (i) by striking “for a method”; and  
4 (ii) by striking “at least 1 year” and  
5 all that follows through the end and insert-  
6 ing “and commercially used the subject  
7 matter at least 1 year before the effective  
8 filing date of the claimed invention that is  
9 the subject matter of the patent.”;

Page 32, strike lines 16 through 21 and insert the following:

10 (ii) by striking subparagraph (B) and  
11 inserting the following:  
12 “(A) DERIVATION AND PRIOR DISCLOSURE  
13 TO THE PUBLIC.—A person may not assert the  
14 defense under this section if—  
15 “(i) the subject matter on which the  
16 defense is based was derived from the pat-

1 entee or persons in privity with the pat-  
2 entee; or

3 “(ii) the claimed invention that is the  
4 subject of the defense was disclosed to the  
5 public in a manner that qualified for the  
6 exception from the prior art under section  
7 102(b)(2) before the date relied upon  
8 under paragraph (1) of this subsection for  
9 establishing entitlement to the defense.”;

10 (iii) by redesignating subparagraph  
11 (C) as subparagraph (B); and

12 (iv) by adding at the end the fol-  
13 lowing:

14 “(C) FUNDING.—”.

Page 35, line 16, strike “12 months” and insert “1 year”.

Page 37, line 18, strike “and any response” and all that follows through line 20 and insert “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”.

Page 39, line 20, strike “9 months” and insert “1 year”.

Page 45, insert the following after line 11:

1       “(f) RESPONSE.—In any inter partes review insti-  
2       tuted under this chapter, the petitioner shall have at least  
3       one opportunity to file written comments within a time  
4       period established by the Director.”.

Page 47, strike line 15 and all that follows through  
“court.” on page 48, line 9, and conform the table of  
contents on page 35 accordingly.

Page 50, line 13, strike “12 months” and insert “1  
year”.

Page 62, strike line 17 and all that follows through  
“court.” on page 63, line 12, and conform the table of  
contents on page 49 accordingly.

Page 82, line 7, strike the period after “**defined**”.

Page 86, strike lines 4 through 6 and insert the fol-  
lowing:

5       (i) EFFECTIVE DATE; SUNSET.—

6           (1) EFFECTIVE DATE.—This section and the  
7       amendments made by this section shall take effect  
8       on the date of the enactment of this Act.

9           (2) SUNSET.—The authority of the Director to  
10      set or adjust any fee under subsection (a) shall ter-  
11      minate upon the expiration of the 4-year period be-  
12      ginning on the date of the enactment of this Act.

Page 106, insert the following after line 24:

1           (3) REPORT.—Not later than the date that is  
2           3 years after the date of the enactment of this Act,  
3           the Director shall submit a report to Congress that  
4           provides—

5                   (A) an analysis of the effectiveness of “vir-  
6                   tual marking”, as provided in the amendment  
7                   made by paragraph (1) of this subsection, as an  
8                   alternative to the physical marking of articles;

9                   (B) an analysis of whether such virtual  
10                  marking has limited or improved the ability of  
11                  the general public to access information about  
12                  patents;

13                  (C) an analysis of the legal issues, if any,  
14                  that arise from such virtual marking; and

15                  (D) an analysis of the deficiencies, if any,  
16                  of such virtual marking.

Page 107, insert the following after line 12 and re-  
designate the succeeding paragraph accordingly:

17           (3) EXPIRED PATENTS.—Section 292 of title  
18           35, United States Code, is amended by adding at  
19           the end the following:



1           “(c) Whoever engages in an activity under subsection  
2 (a) for which liability would otherwise be imposed shall  
3 not be liable for such activity—

4           “(1) that is engaged in during the 3-year period  
5 beginning on the date on which the patent at issue  
6 expires; and

7           “(2) that is engaged in after the end of that 3-  
8 year period if the word ‘expired’ is placed before the  
9 word ‘patent’, ‘patented’, the abbreviation ‘pat’, or  
10 the patent number, either on the article or through  
11 a posting on the Internet, as provided in section  
12 287(a).”.

Page 108, strike lines 6 through 11 and redesignate succeeding sections and references thereto, and amend the table of contents, accordingly.

Page 111, line 8, insert “of title 35, United States Code” after “section 321(c)”.

Page 111, lines 12 and 13, strike “4-year” and insert “10-year”.

Page 112, line 19, strike “de novo”.

Page 112, line 21, insert “, and such review may be de novo” before the period.

Page 112, strike line 22 and all that follows through page 113, line 17, and redesignate succeeding subsections accordingly.

Page 114, line 17, insert “of title 35, United States Code” after “section 101”.

Page 114, line 18, strike “**CLARIFICATION OF JURISDICTION**” and insert “**JURISDICTION AND PROCEDURAL MATTERS**”, and conform the table of contents accordingly.

Page 117, add the following after the matter following line 23 and redesignate the succeeding subsection accordingly:

1 (e) PROCEDURAL MATTERS IN PATENT CASES.—

2 (1) JOINDER OF PARTIES AND STAY OF AC-  
3 TIONS.—Chapter 29 of title 35, United States Code,  
4 is amended by adding at the end the following new  
5 section:

6 “§ 298. Joinder of parties and stay of actions

7 “(a) JOINDER OF PARTIES.—

8 “(1) JOINDER OF ACCUSED INFRINGERS.—In  
9 any civil action arising under any Act of Congress  
10 relating to patents, other than an action in which an  
11 act of infringement under section 271(e)(2) has been  
12 pled, parties that are accused infringers may be

1 joined in one action as defendants or counterclaim  
2 defendants only if—

3 “(A) any right to relief is asserted against  
4 the parties jointly, severally, or in the alter-  
5 native with respect to or arising out of the same  
6 transaction, occurrence, or series of trans-  
7 actions or occurrences relating to the making,  
8 using, importing into the United States, offer-  
9 ing for sale, or selling of the same accused  
10 product or process; and

11 “(B) questions of fact common to all de-  
12 fendants or counterclaim defendants will arise  
13 in the action.

14 “(2) ALLEGATIONS INSUFFICIENT FOR JOIN-  
15 DER.—For purposes of this subsection, accused in-  
16 fringers may not be joined in one action as defend-  
17 ants or counterclaim defendants based solely on alle-  
18 gations that they each have infringed the patent or  
19 patents in suit.

20 “(b) STAY OF ACTIONS AGAINST NONMANUFACTUR-  
21 ING PARTIES.—

22 “(1) JOINDER AND INTERVENTION OF MANU-  
23 FACTURER OR USER OF INFRINGING PRODUCT OR  
24 PROCESS.—In any civil action arising under any Act  
25 of Congress relating to patents, the court shall grant

1 a motion brought by any party to join as a party de-  
2 fendant or counterclaim defendant, or a motion to  
3 intervene as a party defendant or counterclaim de-  
4 fendant—

5 “(A) the manufacturer of a product alleged  
6 to infringe the patent or patents in dispute; or

7 “(B) the user of a manufacturing process,  
8 or manufacturer of a system or components  
9 that implement a process, that is alleged to in-  
10 fringe the patent or patents in dispute.

11 “(2) STAY OF CERTAIN ACTIONS.—The court  
12 shall grant a stay of a civil action arising under any  
13 Act of Congress relating to patents that is brought  
14 against a distributor, reseller, customer, or user of  
15 an allegedly infringing product or process, upon a  
16 motion showing that the same patent or patents that  
17 are being asserted in the action are also the subject  
18 of a declaratory judgment or infringement action  
19 that—

20 “(A) was instituted by or against the man-  
21 ufacturer or supplier of the allegedly infringing  
22 product, or system or components that imple-  
23 ment a process alleged to infringe the patent or  
24 patents in dispute; and

1           “(B) was filed no later than 60 days after  
2           the service of the complaint in the action to be  
3           stayed.

4           “(3) STAY OF ACTION AGAINST ADDITIONAL  
5           PARTIES.—In any civil action arising under any Act  
6           of Congress relating to patents, if the manufacturer  
7           of a product or components alleged to infringe the  
8           patent or patents in dispute, or the user of a manu-  
9           facturing process, or manufacturer of a system or  
10          components that implement a process alleged to in-  
11          fringe the patent or patents in dispute, is a party to  
12          the action, the court shall grant a motion to stay the  
13          action as to other parties accused of infringing the  
14          patent or patents in dispute solely by offering for  
15          sale or selling products or processes alleged to in-  
16          fringe the patent or patents in dispute.”.

17          (2) CONFORMING AMENDMENT.—The table of  
18          sections for chapter 29 of title 35, United States  
19          Code, is amended by adding at the end the following  
20          new item:

“298. Joinder of parties and stay of actions.”.

Page 121, strike lines 4 through 7 and redesignate  
succeeding subsections accordingly.

Page 127, strike lines 3 through 5 and insert the following: “Any amounts in the Fund shall be available for use by the Director without fiscal year limitation.”.

Page 127, line 7, insert “and recorded as offsetting receipts” after “into the Fund”.

Page 130, line 17, insert a comma after “Act”.

Page 130, line 21, strike “PURPOSE” and “purpose” and insert “Purposes” and “purposes”, respectively.

Page 132, lines 15 and 16, strike “Subject to available resources, the Director may establish” and insert “Using available resources, the Director shall establish and maintain”.

