117TH CONGRESS
1ST SESSION

S. _____

To amend title 35, United States Code, to address matters relating to the Patent Trial and Appeal Board of the United States Patent and Trademark Office, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. LEAHY (for himself and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend title 35, United States Code, to address matters relating to the Patent Trial and Appeal Board of the United States Patent and Trademark Office, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Restoring the America Invents Act''.

SEC. 2. PATENTS.

Title 35, United States Code, is amended—

(1) in section 6—

(A) in subsection (c)—

(i) in the second sentence, by striking ''Only the'' and inserting ''The''; and

(ii) by adding at the end the following: ''After the constitution of a panel of the Patent Trial and Appeal Board under this subsection has been made public, any changes to the constitution of that panel shall be noted in the record.'';

(B) by redesignating subsection (d) as subsection (e);

(C) by inserting after subsection (c) the following:

''(d) REVIEW BY DIRECTOR.—

''(1) IN GENERAL.—With respect to a final decision of the Patent Trial and Appeal Board—

''(A) the Director may, on the initiative of the Director, review, and modify or set aside, the decision; and

''(B) if the decision is issued under section 318 or 328, a party to the applicable inter partes or post-grant review may request that the Director review, and modify or set aside, the decision.

''(2) REQUIREMENT.—Any review by the Director under paragraph (1) shall be issued in a separate written opinion that—

''(A) is made part of the public record; and

''(B) sets forth the reasons for the review, modification, or setting aside of the final decision of the Patent Trial and Appeal Board.

''(3) TIMELINE AND BASES FOR REVIEW.—Not later than 18 months after the date of enactment of the Restoring the America Invents Act, the Director shall promulgate rules addressing the following issues:

''(A) With respect to review of a decision on the initiative of the Director under paragraph (1)(A)—

''(i) the timeline under which the Director may review the decision, which shall be consistent with the requirements under section 318(e) or 328(e), if applicable; and

''(ii) the bases on which the Director may review the decision.

''(B) With respect to a request by a party under paragraph (1)(B)—

''(i) the timeline for submitting such a request;

"(ii) the content that the party is required to include in such a request;

"(iii) the bases on which the party may submit such a request; and

"(iv) the timeline for any response or reply to such a request such that the request can be decided within the deadline imposed under section 318(e) or 328(e), as applicable.

"(4) RULE OF CONSTRUCTION.—For the purposes of an appeal permitted under section 141, any decision on review issued by the Director under this subsection shall be deemed a final decision of the Patent Trial and Appeal Board."; and

(D) in subsection (e), as so redesignated—

(i) in the first sentence—

(I) by striking "of this subsection" and inserting "of the Restoring the America Invents Act";

(II) by inserting "or the Secretary" after "appointment by the Director"; and

(III) by inserting "or the Secretary, as applicable," after "on which the Director"; and

(ii) in the second sentence—

(I) by inserting ", or, before the date of enactment of the Restoring the America Invents Act, having performed duties no longer performed by administrative patent judges," after "by the Director"; and

(II) by striking "that the administrative patent judge so appointed" and inserting "that the applicable administrative patent judge";

(2) in section 302, in the first sentence, by inserting ", including a governmental entity," after "A person";

(3) in chapter 31—

(A) in section 311—

(i) in subsection (a), in the first sentence, by inserting ", including a governmental entity," after "a person"; and

(ii) in subsection (b), by striking "under section 102" and all that follows through the period at the end and inserting the following: "under—

"(1) section 102 or 103 and only on the basis of—

"(A) prior art consisting of patents or printed publications; or

"(B) admissions in the patent specification, drawings, or claims; or

"(2) statutory or obviousness-type double patenting on the basis of—

"(A) patents or printed publications; or

"(B) admissions in the patent specification, drawings, or claims.";

(B) in section 314—

(i) in subsection (a), by striking "The Director may not authorize an inter partes review to be instituted unless" and inserting the following: "Subject only to the discretion of the Director under section 325(d)(4), a petition that meets the requirements of this chapter shall be instituted if"; and

(ii) in subsection (d)—

(I) by inserting "or maintain" after "to institute"; and

(II) by striking "section" and inserting "chapter";

(C) in section 315—

(i) in subsection (a)(1)—

(I) by striking ''An inter partes'' and inserting the following:

''(A) IN GENERAL.—An inter partes''; and

(II) by adding at the end the following:

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) may not be construed to prevent an inter partes review from being instituted if a complaint in a civil action described in that subparagraph has been dismissed without prejudice.'';

(ii) by striking subsection (b) and inserting the following:

''(b) PATENT OWNER'S ACTION.—

''(1) IN GENERAL.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall be subject to the following limitations:

''(A) The time limitation shall not apply—

''(i) to a request for joinder under subsection (c); or

"(ii) if the complaint is dismissed without prejudice.

"(B) If new or amended claims issue from reexamination after the petitioner, real party in interest, or privy of the petitioner is served with the complaint, an inter partes review of those claims may be instituted if the petition requesting the review is filed not later than 1 year after the date on which the challenged claims are asserted in the action.

"(2) REQUEST FOR STAY.—

"(A) IN GENERAL.—If a party seeks a stay of a civil action brought under section 281 alleging infringement of a patent that is also subject to an inter partes review, the court shall decide whether to stay the civil action based on whether—

"(i) the outcome of the inter partes review will likely simplify the issues in question in the civil action and streamline the proceedings in the civil action;

"(ii) as of the date on which the stay is requested, discovery in the civil action is complete;

''(iii) a stay, or the denial thereof, would—

''(I) unduly prejudice the nonmoving party; or

''(II) present a clear tactical advantage for the moving party; and

''(iv) a stay, or the denial thereof, will reduce the burden of litigation on the parties to the civil action and the court.

''(B) REVIEW.—A party may take an immediate interlocutory appeal from the decision of a district court of the United States under subparagraph (A). The United States Court of Appeals for the Federal Circuit shall review the district court's decision to ensure consistent application of established precedent, and such review shall be de novo.'';

(iii) in subsection (c)—

(I) by striking ''If the Director'' and inserting the following:

''(1) IN GENERAL.—If the Director''; and

(II) by adding at the end the following:

''(2) ESTOPPEL.—Any person joined as a party to an inter partes review, and any real party in in-

terest or privy of such person, shall be estopped under subsection (e) to the same extent as if that person, real party in interest, or privy had been the first petitioner in that inter partes review.'';

(iv) by striking subsection (d) and inserting the following:

''(d) MULTIPLE PROCEEDINGS.—

''(1) IN GENERAL.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, or if there is a pending application claiming the benefit of a common filing date to the patent under section 120 or 121—

''(A) the parties shall notify the Director; and

''(B) the Director shall issue a decision determining the manner in which the other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such proceeding or matter.

''(2) NO EXTENSION.—A decision of the Director under paragraph (1)(B) may not—

''(A) extend any statutory deadline under this chapter; or

"(B) terminate an inter partes proceeding in favor of an ex parte proceeding.

"(3) PRESUMPTION.—For the purposes of this subsection, if the multiple proceedings described in paragraph (1) are of like type and are filed reasonably close in time, there shall be a rebuttable presumption that the Director shall consolidate the proceedings under that paragraph."; and

(v) in subsection (e)—

(I) in paragraph (1)—

(aa) by striking "The petitioner in" and inserting the following:

"(A) ESTOPPEL AGAINST PETITIONER.—The petitioner in";

(bb) in subparagraph (A), as so designated, by inserting ", after the time for appeal of the decision has expired or any such appeal has terminated," after "may not"; and

(cc) by adding at the end the following:

"(B) ESTOPPEL AGAINST PATENT OWNER.—The Office may not issue to a patent

owner any claim that is not patentably distinct from a claim that was issued and was subsequently—

"(i) found to be unpatentable; or

"(ii) canceled in any proceeding before the Office, including under section 135, 251, 253, 301, 311, or 321."; and

(II) in paragraph (2)—

(aa) by inserting "that the claim is not unpatentable" after "section 318(a)";

(bb) by inserting ", after the time for appeal of the decision has expired or any such appeal has terminated," after "may not"; and

(cc) by inserting "or 1498" after "section 1338";

(D) in section 316—

(i) in subsection (a)(11), by inserting "or consolidation under section 315(d)" after "under section 315(c)";

(ii) in subsection (c)—

(I) by striking "The Patent" and inserting the following:

''(1) IN GENERAL.—The Patent''; and

(II) by adding at the end the following:

''(2) EX PARTE COMMUNICATION.—An officer who has review authority, supervisory authority, or disciplinary authority with respect to an administrative patent judge of the Patent Trial and Appeal Board (or a delegate of such an officer), and who is not a member of a panel described in section 6(c), shall refrain from ex parte communication with such a judge who is a member of that panel concerning any pending matter before that panel, except as allowed under the Code of Conduct for United States Judges.''; and

(iii) in subsection (e)—

(I) by striking ''In an'' and inserting the following:

''(1) IN GENERAL.—In an'';

(II) in paragraph (1), as so designated, by inserting ''of challenged patent claims'' after ''unpatentability''; and

(III) by adding at the end the following:

"(2) CLAIM AMENDMENT.—For any substitute claim proposed under subsection (d)—

"(A) the patent owner shall have the burden of proving patentability, including under sections 101, 102, 103, and 112, by a preponderance of the evidence;

"(B) the Patent Trial and Appeal Board shall—

"(i) examine the substitute claim; or

"(ii) notwithstanding subsection (c)(2), refer the substitute claim to the Director, who shall cause an examination of the substitute claim to be made within the time limits for the applicable inter partes review; and

"(C) the Director may establish, by regulation, fees for examination of the substitute claim in such amounts as the Director determines to be reasonable, taking into consideration the aggregate costs of examination.";

(E) in section 318—

(i) in subsection (b), by inserting ", not later than 60 days after the date on which the parties to the inter partes review have informed the Director that the time

for appeal has expired or any appeal has terminated,'' after ''the Director shall''; and

(ii) by adding at the end the following:

''(e) REHEARING.—Not later than 120 days after the date on which the Patent Trial and Appeal Board issues a final written decision under subsection (a), the Board or the Director shall finally decide any request for reconsideration, rehearing, or review that is submitted with respect to the decision, except that the Director may, for good cause shown, extend that 120-day period by not more than 60 days.''; and

(F) in section 319—

(i) in the first sentence, by striking ''A party'' and inserting the following:

''(a) IN GENERAL.—A party''; and

(ii) by adding at the end the following:

''(b) STANDING.—

''(1) INJURY IN FACT.—For the purposes of an appeal described in subsection (a), injury in fact shall be presumed if the party appealing the decision—

''(A) reasonably expects that another person will assert estoppel against the party under section 315(e) as a result of the final written decision that is the subject of the appeal; or

''(B) suffers any other concrete and particularized injury that—

''(i) is fairly traceable to the final written decision that is the subject of the appeal; and

''(ii) could be redressed through appellate review.

''(2) ESTOPPEL.—If a court finds that a party lacks standing to bring an appeal described in subsection (a) under article III of the Constitution of the United States, that party shall not be estopped under section 315(e) with respect to the underlying inter partes review.''; and

(4) in chapter 32—

(A) in section 321(a), by inserting '', including a governmental entity,'' after ''a person'';

(B) in section 324—

(i) in subsection (a), by striking ''The Director may not authorize a post-grant review to be instituted unless'' and insert-

ing the following: ''Subject only to the discretion of the Director under section 325(d)(4), a petition filed under section 321 that meets the requirements of this chapter shall be instituted if''; and

(ii) in subsection (e)—

(I) by inserting ''or maintain'' after ''to institute''; and

(II) by striking ''section'' and inserting ''chapter'';

(C) in section 325—

(i) in subsection (a)—

(I) in the subsection heading, by striking ''INFRINGER'S CIVIL ACTION'' and inserting ''CIVIL ACTION''; and

(II) by adding at the end the following:

''(4) REQUEST FOR STAY.—

''(A) IN GENERAL.—If a party seeks a stay of a civil action brought under section 281 alleging infringement of a patent that is also subject to a post-grant review, the court shall decide whether to stay the civil action based on whether—

''(i) the outcome of the post-grant review will likely simplify the issues in question in the civil action and streamline the proceedings in the civil action;

''(ii) as of the date on which the stay is requested, discovery in the civil action is complete;

''(iii) a stay, or the denial thereof, would—

''(I) unduly prejudice the nonmoving party; or

''(II) present a clear tactical advantage for the moving party; and

''(iv) a stay, or the denial thereof, will reduce the burden of litigation on the parties to the civil action and the court.

''(B) REVIEW.—A party may take an immediate interlocutory appeal from the decision of a district court of the United States under subparagraph (A). The United States Court of Appeals for the Federal Circuit shall review the district court's decision to ensure consistent application of established precedent, and such review shall be de novo.'';

(ii) in subsection (c)—

(I) by striking ''If more'' and inserting the following:

''(1) IN GENERAL.—If more''; and

(II) by adding at the end the following:

''(2) ESTOPPEL.—Any person joined as a party to a post-grant review, and any real party in interest or privy of such person, shall be estopped under subsection (e) to the same extent as if that person, real party in interest, or privy had been the first petitioner in that post-grant review.'';

(iii) by striking subsection (d) and inserting the following:

''(d) MULTIPLE PROCEEDINGS.—

''(1) IN GENERAL.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter involving the patent is before the Office, or if there is a pending application claiming the benefit of a common filing date to the patent under section 120 or 121—

''(A) the parties shall notify the Director; and

''(B) the Director shall issue a decision determining the manner in which the other pro-

ceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such proceeding or matter.

''(2) NO EXTENSION.—A decision of the Director under paragraph (1)(B) may not—

''(A) extend any statutory deadline under this chapter; or

''(B) terminate an inter partes proceeding in favor of an ex parte proceeding.

''(3) PRESUMPTION.—For the purposes of this subsection, if the multiple proceedings described in paragraph (1) are of like type and are filed reasonably close in time, there shall be a rebuttable presumption that the Director shall consolidate the proceedings under that paragraph.

''(4) CONSIDERATIONS.—In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.''; and

(iv) in subsection (e)—

(I) in paragraph (1)—

(aa) by striking ''The petitioner in'' and inserting the following:

''(A) ESTOPPEL AGAINST PETITIONER.—The petitioner in'';

(bb) in subparagraph (A), as so designated, by inserting '', after the time for appeal of the decision has expired or any such appeal has terminated,'' after ''may not''; and

(cc) by adding at the end the following:

''(B) ESTOPPEL AGAINST PATENT OWNER.—The Office may not issue to a patent owner any claim that is not patentably distinct from a claim that was issued and was subsequently—

''(i) found to be unpatentable; or

''(ii) canceled in any proceeding before the Office, including under section 135, 251, 253, 301, 311, or 321.''; and

(II) in paragraph (2)—

(aa) by inserting ''that the claim is not unpatentable'' after ''section 328(a)'';

(bb) by inserting '', after the time for appeal of the decision has expired or any such appeal has terminated,'' after ''may not''; and

(cc) by inserting ''or 1498'' after ''section 1338'';

(D) in section 326—

(i) in subsection (a)(11), by inserting ''or consolidation under section 325(d)'' after ''under section 325(c)'';

(ii) in subsection (c)—

(I) by striking ''The Patent'' and inserting the following:

''(1) IN GENERAL.—The Patent''; and

(II) by adding at the end the following:

''(2) EX PARTE COMMUNICATION.—An officer who has review authority, supervisory authority, or disciplinary authority with respect to an administrative patent judge of the Patent Trial and Appeal Board (or a delegate of such an officer), and who is

not a member of a panel described in section 6(c), shall refrain from ex parte communication with such a judge who is a member of that panel concerning any pending matter before that panel, except as allowed under the Code of Conduct for United States Judges.''; and

(iii) in subsection (e)—

(I) by striking ''In a'' and inserting the following:

''(1) IN GENERAL.—In a'';

(II) in paragraph (1), as so designated, by inserting ''of challenged patent claims'' after ''unpatentability''; and

(III) by adding at the end the following:

''(2) CLAIM AMENDMENT.—For any substitute claim proposed under subsection (d)—

''(A) the patent owner shall have the burden of proving patentability, including under sections 101, 102, 103, and 112, by a preponderance of the evidence;

''(B) the Patent Trial and Appeal Board shall—

''(i) examine the substitute claim; or

"(ii) notwithstanding subsection (c)(2), refer the substitute claim to the Director, who shall cause an examination of the substitute claim to be made within the time limits for the applicable inter partes review; and

"(C) the Director may establish, by regulation, fees for examination of the substitute claim in such amounts as the Director determines to be reasonable, taking into consideration the aggregate costs of examination.";

(E) in section 328—

(i) in subsection (b), by inserting "not later than 60 days after the date on which the parties to the post-grant review have informed the Director that the time for appeal has expired or any appeal has terminated," after "the Director shall"; and

(ii) by adding at the end the following:

"(e) REHEARING.—Not later than 120 days after the date on which the Patent Trial and Appeal Board issues a final written decision under subsection (a), the Board or the Director shall finally decide any request for reconsideration, rehearing, or review that is submitted with re-

spect to the decision, except that the Director may, for good cause shown, extend that 120-day period by not more than 60 days.''; and

(F) in section 329—

(i) in the first sentence, by striking ''A party'' and inserting the following:

''(a) IN GENERAL.—A party''; and

(ii) by adding at the end the following:

''(b) STANDING.—

''(1) INJURY IN FACT.—For the purposes of an appeal described in subsection (a), injury in fact shall be presumed if the party appealing the decision—

''(A) reasonably expects that another person will assert estoppel against the party under section 325(e) as a result of the final written decision that is the subject of the appeal; or

''(B) suffers any other concrete and particularized injury that—

''(i) is fairly traceable to the final written decision that is the subject of the appeal; and

''(ii) could be redressed through appellate review.

''(2) ESTOPPEL.—If a court finds that a party lacks standing to bring an appeal described in subsection (a) under article III of the Constitution of the United States, that party shall not be estopped under section 325(e) with respect to the underlying post-grant review.''.