

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To render as unenforceable any patent if the owner of the patent engages in misconduct in any proceeding before the USPTO.

**IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.**

**S. 1145**

To amend title 35, United States Code, to provide for patent reform.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. HATCH (for  
himself and Mr. SPECTER)

Viz:

1 On page 61, strike lines 9 through 20.

2 On page 62, after line 16, insert the following:

3 **SEC. 14. INEQUITABLE CONDUCT REFORM.**

4 (a) UNENFORCEABILITY.—Section 282 of title 35,  
5 United States Code, is amended—

6 (1) in the first undesignated paragraph, by  
7 striking “A patent shall” and inserting “(a) PRE-  
8 SUMPTION OF VALIDITY.—A patent shall”

1 (2) in the second undesignated paragraph—

2 (A) by striking “The following shall” and  
3 inserting “(b) DEFENSES.—The following  
4 shall”;

5 (B) by amending paragraph (1) to read as  
6 follows:

7 “(1) Noninfringement, absence of liability for  
8 infringement, or unenforceability on grounds other  
9 than those set forth in this section.”;

10 (C) by amending paragraph (4) to read as  
11 follows:

12 “(4) Sanctions for misconduct in proceedings  
13 before the Office.

14 “(A) A court may hold 1 or more asserted  
15 claims of the patent unenforceable, based upon  
16 misconduct in connection with a matter or pro-  
17 ceeding before the Office, only if it is estab-  
18 lished, by clear and convincing evidence, that  
19 with respect to the patent at issue—

20 “(i) a person with responsibility for  
21 the filing or prosecution of the patent ap-  
22 plication or a proceeding for extension of  
23 the term, reissuance, or reexamination of  
24 the patent pursuant to chapters 14, 25, or  
25 30 of part III of this title has knowingly

1                   and willfully deceived the Office by mis-  
2                   representing or concealing material infor-  
3                   mation or by submitting false material in-  
4                   formation or statements; and

5                   “(ii) in the absence of such deception,  
6                   the Office, acting reasonably, would not,  
7                   on the record before it, have allowed 1 or  
8                   more claims of the patent to issue or to re-  
9                   main in force.

10                  “(B) For purposes of subparagraph (A)(i),  
11                  knowing and willful deception shall not be in-  
12                  ferred solely from the omission or nature of ma-  
13                  terial information.

14                  “(C) For purposes of subparagraph (A)(i),  
15                  knowing and willful deception shall be proven  
16                  independently of materiality.

17                  “(D) The Director shall establish regula-  
18                  tions defining ‘material information’ for pur-  
19                  poses of subparagraph (A)(i), and such defini-  
20                  tion shall govern the determination of material  
21                  information under this subsection. The regula-  
22                  tions required under this subparagraph shall  
23                  specify that, with respect to information rel-  
24                  evant to patentability, that such information is  
25                  material if it is not cumulative to information

1 already of record and establishes either that the  
2 claim—

3 “(i) is not patentable; or

4 “(ii) is inconsistent with a position  
5 the applicant took in response to a rejection  
6 of the claims as being unpatentable.

7 “(E) If the court has found under sub-  
8 paragraph (A) that at least 1 of the patent  
9 claims being asserted in the action should not  
10 have issued, been reissued, or been the subject  
11 of a certificate issued under section 307 or 316  
12 in view of the withheld or false material information,  
13 in appropriate circumstances, the court  
14 may hold 1 or more of the other asserted claims  
15 unenforceable.”; and

16 (D) by adding at the end the following new  
17 paragraph:

18 “(5) Any other fact or act made a defense by  
19 this title.”; and

20 (3) in the third undesignated paragraph—

21 (A) by striking “In actions involving” and  
22 inserting “(c) NOTICE.—In actions involving”;  
23 and

24 (B) in the second sentence, by inserting  
25 “In actions based on alleged misconduct before

1           the Office, the party asserting this misconduct  
2           shall comply with the pleading requirements set  
3           forth under Federal Rule of Civil Procedure  
4           9(b).” after “as the court requires.”.

5           (b) **SUSPENSION OR EXCLUSION FROM PRACTICE.**—  
6 Section 32 of title 35, United States Code, is amended—

7           (1) by striking “The Director may” and insert-  
8           ing “(a) **IN GENERAL.**—The Director may”; and

9           (2) by adding at the end the following:

10          “(b) **TOLLING OF TIME PERIOD.**—The time period  
11 for instituting a proceeding under subsection (a), as pro-  
12 vided in section 2462 of title 28, shall not run where  
13 fraud, concealment, or inequitable conduct is involved  
14 until the information regarding fraud, concealment, or in-  
15 equitable conduct is made known in the manner set forth  
16 by regulation under section 2(b)(2)(D) to an officer or em-  
17 ployee of the United States Patent and Trademark Office  
18 designated by the Director to receive such information.”.

19          (c) **REISSUE OF DEFECTIVE PATENTS.**—Section 251  
20 of title 35, United States Code, is amended to read as  
21 follows:

22          “**§ 251. Reissue of defective patents**

23          “(a) **IN GENERAL.**—Whenever any patent is, through  
24 error without any deceptive intention, deemed wholly or  
25 partly inoperative or invalid, by reason of a defective speci-

1 fication or drawing, or by reason of the patentee claiming  
2 more or less than he had a right to claim in the patent,  
3 the Director shall, on the surrender of such patent and  
4 the payment of the fee required by law, reissue the patent  
5 for the invention disclosed in the original patent, and in  
6 accordance with a new and amended application, for the  
7 unexpired part of the term of the original patent.

8 “(b) DISCLOSURE UPON FINDING OF DECEPTION.—  
9 Within the time period set by the Director following the  
10 pleading of the defense of inequitable conduct or a commu-  
11 nication by a third party to the patent owner that a patent  
12 was procured at least partially by deception, a purchaser  
13 of the patent for valuable consideration, or a person that  
14 has licensed rights under patent on an exclusive basis,  
15 without prior knowledge of the misconduct and within a  
16 reasonable period of time following discovery of the mis-  
17 conduct, pursuant to rules to be promulgated by the Di-  
18 rector, shall disclose material information which was not  
19 earlier provided or which, as provided, was not accurate,  
20 for review by the Director. The Director shall examine an  
21 application to reissue the patent and may, on payment of  
22 the fee required by law and the surrender of such patent,  
23 reissue the patent for the invention disclosed in the origi-  
24 nal patent, and in accordance with a new and amended  
25 application, for the unexpired part of the term of the origi-

1 nal patent. A patent reissued under this subsection shall  
2 not be held to be unenforceable as a result of the inten-  
3 tional misrepresentation or intentional failure to disclose  
4 material information on the part of the prior patent owner  
5 or its privies that was disclosed in the reissue application.

6 “(c) NO NEW MATTER.—No new matter shall be in-  
7 troduced into any application for reissue.

8 “(d) REISSUANCE FOR DISTINCT AND SEPARATE  
9 PARTS OF A PATENT.—The Director may issue several re-  
10 issued patents for distinct and separate parts of the thing  
11 patented, upon demand of the applicant, and upon pay-  
12 ment of the required fee for a reissue for each of such  
13 reissued patents.

14 “(e) APPLICATIONS FOR REISSUE.—The provisions  
15 of this title relating to applications for patent shall be ap-  
16 plicable to applications for reissue of a patent, except that  
17 application for reissue may be made and sworn to by the  
18 assignee of the entire interest if the application does not  
19 seek to enlarge the scope of the claims of the original pat-  
20 ent.

21 “(f) LIMITED TIME TO ENLARGE SCOPE OF PAT-  
22 ENT.—No reissued patent shall be granted enlarging the  
23 scope of the claims of the original patent unless applied  
24 for within 2 years from the grant of the original patent.”.

1           (d) OWNERSHIP; ASSIGNMENT.—Section 261 of title  
2 35, United States Code, is amended by adding at the end  
3 the following new paragraph:

4                   “In a proceeding where a person is convicted of  
5 an offense under section 1001 of title 18 relating to  
6 statements made in connection with the procurement  
7 or maintenance of a United States patent, any pat-  
8 ent so procured or maintained is subject to an order  
9 that it be dedicated to the public.”.