

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

Purpose: To improve the bill.

**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. LEAHY

Viz:

- 1 On page 26, between lines 6 and 7, insert the fol-
- 2 lowing:
- 3 “(e) WILLFUL INFRINGEMENT .—
- 4 “(1) INCREASED DAMAGES.—A court that has
- 5 determined that the infringer has willfully infringed
- 6 a patent or patents may increase the damages up to
- 7 three times the amount of damages found or as-
- 8 sessed under subsection (a), except that increased
- 9 damages under this paragraph shall not apply to
- 10 provisional rights under section 154(d).

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

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

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

11                           “(ii) identifying with particularity  
12                           each claim of the patent, each product or  
13                           process that the patent owner alleges in-  
14                           fringes the patent, and the relationship of  
15                           such product or process to such claim,

16           the infringer, after a reasonable opportunity to  
17           investigate, thereafter performed one or more of  
18           the alleged acts of infringement;

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

22                   “(C) after having been found by a court to  
23           have infringed that patent, the infringer en-  
24           gaged in conduct that was not colorably dif-  
25           ferent from the conduct previously found to

1           have infringed the patent, and which resulted in  
2           a separate finding of infringement of the same  
3           patent.

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

11          “(B) An informed good faith belief within the  
12          meaning of subparagraph (A) may be established  
13          by—

14                 “(i) reasonable reliance on advice of coun-  
15                 sel;

16                 “(ii) evidence that the infringer sought to  
17                 modify its conduct to avoid infringement once it  
18                 had discovered the patent; or

19                 “(iii) other evidence a court may find suffi-  
20                 cient to establish such good faith belief.

21          “(C) The decision of the infringer not to  
22          present evidence of advice of counsel is not relevant  
23          to a determination of willful infringement under  
24          paragraph (2).

1           “(4) LIMITATION ON PLEADING.—Before the  
2           date on which a court determines that the patent in  
3           suit is not invalid, is enforceable, and has been in-  
4           fringed by the infringer, a patentee may not plead  
5           and a court may not determine that an infringer has  
6           willfully infringed a patent. The court’s determina-  
7           tion of an infringer’s willfulness shall be made with-  
8           out a jury.”.

9           On page 39, line 17, strike “322” and insert  
10          “322(1)”.

11          On page 39, line 18, after the period insert the fol-  
12          lowing: “For petitions filed under paragraphs (2) or (3)  
13          of section 322, the existence, authentication, availability,  
14          and scope of any evidence offered to establish invalidity  
15          shall be established by clear and convincing evidence. If  
16          such predicate facts are so established, invalidity shall be  
17          proven only if the persuasive force of such facts dem-  
18          onstrates invalidity by a preponderance of the evidence.”.

19          On page 39, lines 20 and 21, strike “In response to  
20          a challenge in a petition” and insert “During a post-grant  
21          review proceeding”.

1           On page 43, line 19, strike “145” and insert “144”.

2           On page 44, strike lines 12 through 18, and insert  
3 “and shall apply to patents issued on or after that date,  
4 except that, in the case of a patent issued before the effec-  
5 tive date of this Act on an application filed between No-  
6 vember 29, 1999 and the effective date of this Act, a peti-  
7 tion for post-grant review under section 321 of title 35,  
8 United States Code, may only be filed under paragraph  
9 (2) or (3) of section 322 of title 35, United States Code.”.

10          On page 49, line 12, after “incorporated” insert “or  
11 formed”.

12          On page 49, lines 14 and 15, strike “is located” and  
13 insert “has its principal place of business or is incor-  
14 porated or formed”.

15          On page 49, strike lines 21 through 25, and insert  
16 the following:

17                 “(3) where the primary plaintiff resides, if the  
18 primary plaintiff in the action is—

19                         “(A) an institution of higher education as  
20 defined under section 101(a) of the Higher  
21 Education Act of 1965 (20 U.S.C. 1001(a)); or

1 “(B) a nonprofit organization that—

2 “(i) qualifies for treatment under sec-  
3 tion 501(c)(3) of the Internal Revenue  
4 Code (26 U.S.C. 501(c)(3));

5 “(ii) is exempt from taxation under  
6 section 501(a) of such Code; and

7 “(iii) serves as the patent and licens-  
8 ing organization for an institution of high-  
9 er education as defined under section  
10 101(a) of the Higher Education Act of  
11 1965 (20 U.S.C. 1001(a)); or

12 On page 50, strike lines 6 through 15, and insert the  
13 following:

14 “(d) If a plaintiff brings a civil action for patent in-  
15 fringement or declaratory judgment relief under sub-  
16 section (c), then the defendant may request the district  
17 court to transfer that action to another district or division  
18 where, in the court’s determination—

19 “(1) any of the parties has substantial evidence  
20 or witnesses that otherwise would present consider-  
21 able evidentiary burdens to the defendant if such  
22 transfer were not granted;

23 “(2) such transfer would not cause undue hard-  
24 ship to the plaintiff; and

1           “(3) venue would be otherwise appropriate  
2           under section 1391 of this title.”.

3           On page 55, between lines 24 and 25, insert the fol-  
4           lowing:

5           (e) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
6           tion shall be construed to affect any other provision of Di-  
7           vision B of Public Law 108-447, including section 801(c)  
8           of title VII of the Departments of Commerce, Justice and  
9           State, the Judiciary and Related Agencies Appropriations  
10          Act, 2005.

11          On page 55, line 25, strike “(e)” and insert “(f)”.

12          On page 62, line 15, before “Patent and” insert  
13          “United States”.