

AMENDMENT NO. _____ Calendar No. _____

Purpose: To further improve the bill.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

S. 515

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 3, lines 14 and 15, strike “A patent for a
2 claimed invention may not be obtained if” and insert “A
3 person shall be entitled to a patent unless”.

4 On page 24, strike line 19 and all that follows
5 through page 28, line 6, and insert the following:

6 **“§ 284. Damages**

7 “(a) IN GENERAL.—

8 “(1) COMPENSATORY DAMAGES AUTHORIZED.—

9 Upon finding for the claimant the court shall award
10 the claimant damages adequate to compensate for

1 the infringement, but in no event less than a reason-
2 able royalty for the use made of the invention by the
3 infringer, together with interest and costs as fixed
4 by the court.

5 “(2) USE OF EXPERTS PERMITTED.—The court
6 may receive expert testimony as an aid to the deter-
7 mination of damages or of what royalty would be
8 reasonable under the circumstances.

9 “(b) PROCEDURE FOR DETERMINING DAMAGES.—

10 “(1) IN GENERAL.—The court shall identify the
11 methodologies and factors that are relevant to the
12 determination of damages, and the court or jury,
13 shall consider only those methodologies and factors
14 relevant to making such determination.

15 “(2) DISCLOSURE OF CLAIMS.—By no later
16 than the entry of the final pretrial order, unless oth-
17 erwise ordered by the court, the parties shall state,
18 in writing and with particularity, the methodologies
19 and factors the parties propose for instruction to the
20 jury in determining damages under this section,
21 specifying the relevant underlying legal and factual
22 bases for their assertions.

23 “(3) SUFFICIENCY OF EVIDENCE.—Prior to the
24 introduction of any evidence concerning the deter-
25 mination of damages, upon motion of either party or

1 sua sponte, the court shall consider whether one or
2 more of a party's damages contentions lacks a le-
3 gally sufficient evidentiary basis. After providing a
4 nonmovant the opportunity to be heard, and after
5 any further proffer of evidence, briefing, or argu-
6 ment that the court may deem appropriate, the
7 court shall identify on the record those methodolo-
8 gies and factors as to which there is a legally suffi-
9 cient evidentiary basis, and the court or jury shall
10 consider only those methodologies and factors in
11 making the determination of damages under this
12 section. The court shall only permit the introduction
13 of evidence relating to the determination of damages
14 that is relevant to the methodologies and factors
15 that the court determines may be considered in mak-
16 ing the damages determination.”.

17 On page 28, line 7, strike “(e)” and insert “(e)”.

18 On page 28, lines 17 and 18, strike “presents” and
19 insert “proves by”.

20 On page 29, strike line 20 and all that follows
21 through page 30, line 14, and insert the following:

1 “(A) IN GENERAL.—Notwithstanding para-
2 graph (2), an infringer may not be found to
3 have acted with objective recklessness where for
4 any period of time during which the infringer
5 had an informed good faith belief that the pat-
6 ent was invalid or unenforceable, or would not
7 be infringed by the conduct later shown to con-
8 stitute infringement of the patent, and—

9 “(i) there was reasonable reliance on
10 advice of counsel;

11 “(ii) the infringer sought to modify its
12 conduct to avoid infringement once it had
13 discovered the patent; or

14 “(iii) there is sufficient evidence that
15 the infringer had a good faith belief that
16 the patent was invalid or unenforceable, or
17 would not be infringed by conduct later
18 shown to constitute infringement of the
19 patent.”.

20 On page 30, line 15, strike “(C)” and insert “(B)”.

21 On page 30, line 25, strike “The court’s” and all that
22 follows through “jury.” on page 31, line 2.

1 On page 32, line 9, insert “the United States Trade
2 Representative,” before “the Secretary”.

3 On page 33, strike lines 15 through 21, and insert
4 the following:

5 “(1) prior art consisting of patents or printed
6 publications which that person believes to have a
7 bearing on the patentability of any claim of a par-
8 ticular patent; or”.

9 On page 34, line 7, insert “or written submissions
10 (as the case may be)” after “prior art”.

11 On page 35, line 5, strike “making the citation” and
12 insert “citing prior art or written statements”.

13 On page 35, line 25, strike “patents, publications, or
14 other evidence” and insert “patents or publications”.

15 On page 36, line 5, “patent, printed publication, or
16 other evidence” and insert “patent or printed publica-
17 tion”.

18 On page 54, strike line 17 and all that follows
19 through page 56, line 25, and insert the following:

1 (a) CHANGE OF VENUE.—Section 1400 of title 28,
2 Unite States Code, is amended by adding at the end the
3 following:

4 “(c) CHANGE OF VENUE.—For the convenience of
5 parties and witnesses, in the interest of justice, a district
6 court shall transfer any civil action arising under any Act
7 of Congress relating to patents upon a showing that the
8 transferee venue is clearly more convenient than the venue
9 in which the civil action is pending.”.

10 On page 57, strike lines 1 through 13, and insert the
11 following:

12 (b) INTERLOCUTORY APPEALS.—Section 1292(c) of
13 title 28, United States Code, is amended—

14 (1) in paragraph (1), by striking “and” after
15 the semicolon;

16 (2) in paragraph (2), by striking the period and
17 inserting “; and”; and

18 (3) by adding at the end the following:

19 “(3) of a final order or decree of a district
20 court determining construction of a patent claim in
21 a civil action for patent infringement under section
22 271 of title 35, if the district court finds that there
23 is a sufficient evidentiary record and an immediate
24 appeal from the order (A) may materially advance

1 the ultimate termination of the litigation, or (B) will
2 likely control the outcome of the case, unless such
3 certification is clearly erroneous.”.

4 At the end of the bill, add the following:

5 **SEC. 15. BEST MODE REQUIREMENT.**

6 Section 282(b), as so designated and amended by sec-
7 tion 12(f), is further amended by striking paragraph (3)
8 and inserting the following:

9 “(3) Invalidity of the patent or any claim in
10 suit for failure to comply with—

11 “(A) any requirement of section 112 of
12 this title, except that the failure to disclose the
13 best mode shall not be a basis on which any
14 claim of a patent may be canceled or held in-
15 valid or otherwise unenforceable; or

16 “(B) any requirement of section 251 of
17 this title.”.

18 **SEC. 16. PILOT PROGRAM IN CERTAIN DISTRICT COURTS.**

19 (a) ESTABLISHMENT.—

20 (1) IN GENERAL.—There is established a pro-
21 gram, in each of the United States district courts
22 designated under subsection (b), under which—

23 (A) those district judges of that district
24 court who request to hear cases under which 1

1 or more issues arising under any Act of Con-
2 gress relating to patents or plant variety protec-
3 tion are required to be decided, are designated
4 by the chief judge of the court to hear those
5 cases;

6 (B) cases described in subparagraph (A)
7 are randomly assigned to the judges of the dis-
8 trict court, regardless of whether the judges are
9 designated under subparagraph (A);

10 (C) a judge not designated under subpara-
11 graph (A) to whom a case is assigned under
12 subparagraph (B) may decline to accept the
13 case; and

14 (D) a case declined under subparagraph
15 (C) is randomly reassigned to 1 of those judges
16 of the court designated under subparagraph
17 (A).

18 (2) SENIOR JUDGES.—Senior judges of a dis-
19 trict court may be designated under paragraph
20 (1)(A) if at least 1 judge of the court in regular ac-
21 tive service is also so designated.

22 (3) RIGHT TO TRANSFER CASES PRESERVED.—
23 This section shall not be construed to limit the abil-
24 ity of a judge to request the reassignment of or oth-
25 erwise transfer a case to which the judge is assigned

1 under this section, in accordance with otherwise ap-
2 plicable rules of the court.

3 (b) DESIGNATION.—

4 (1) IN GENERAL.—Not later than 6 months
5 after the date of the enactment of this Act, the Di-
6 rector of the Administrative Office of the United
7 States Courts shall designate not less than 6 United
8 States district courts, in at least 3 different judicial
9 circuits, in which the program established under
10 subsection (a) will be carried out.

11 (2) CRITERIA FOR DESIGNATIONS.—

12 (A) IN GENERAL.—The Director shall
13 make designations under paragraph (1) from—

14 (i) the 15 district courts in which the
15 largest number of patent and plant variety
16 protection cases were filed in the most re-
17 cent calendar year that has ended; or

18 (ii) the district courts that have
19 adopted local rules for patent and plant va-
20 riety protection cases.

21 (B) SELECTION OF COURTS.—From
22 amongst the district courts that satisfy the cri-
23 teria for designation under this subsection, the
24 Director shall select—

1 (i) 3 district courts that each have at
2 least 10 district judges authorized to be
3 appointed by the President, whether under
4 section 133(a) of title 28, United States
5 Code, or on a temporary basis under any
6 other provision of law, and at least 3
7 judges of the court have made the request
8 under subsection (a)(1)(A); and

9 (ii) 3 district courts that each have
10 fewer than 10 district judges authorized to
11 be appointed by the President, whether
12 under section 133(a) of title 28, United
13 States Code, or on a temporary basis
14 under any other provision of law, and at
15 least 2 judges of the court have made the
16 request under subsection (a)(1)(A).

17 (c) DURATION.—The program established under sub-
18 section (a) shall terminate 10 years after the end of the
19 6-month period described in subsection (b).

20 (d) APPLICABILITY.—The program established under
21 subsection (a) shall apply in a district court designated
22 under subsection (b) only to cases commenced on or after
23 the date of such designation.

24 (e) REPORTS TO CONGRESS.—

1 (1) IN GENERAL.—At the times specified in
2 paragraph (2), the Director of the Administrative
3 Office of the United States Courts, in consultation
4 with the chief judge of each of the district courts
5 designated under subsection (b) and the Director of
6 the Federal Judicial Center, shall submit to the
7 Committee on the Judiciary of the House of Rep-
8 resentatives and the Committee on the Judiciary of
9 the Senate a report on the pilot program established
10 under subsection (a). The report shall include—

11 (A) an analysis of the extent to which the
12 program has succeeded in developing expertise
13 in patent and plant variety protection cases
14 among the district judges of the district courts
15 so designated;

16 (B) an analysis of the extent to which the
17 program has improved the efficiency of the
18 courts involved by reason of such expertise;

19 (C) with respect to patent cases handled by
20 the judges designated pursuant to subsection
21 (a)(1)(A) and judges not so designated, a com-
22 parison between the 2 groups of judges with re-
23 spect to—

24 (i) the rate of reversal by the Court of
25 Appeals for the Federal Circuit, of such

1 cases on the issues of claim construction
2 and substantive patent law; and

3 (ii) the period of time elapsed from
4 the date on which a case is filed to the
5 date on which trial begins or summary
6 judgment is entered;

7 (D) a discussion of any evidence indicating
8 that litigants select certain of the judicial dis-
9 tricts designated under subsection (b) in an at-
10 tempt to ensure a given outcome; and

11 (E) an analysis of whether the pilot pro-
12 gram should be extended to other district
13 courts, or should be made permanent and apply
14 to all district courts.

15 (2) TIMETABLE FOR REPORTS.—The times re-
16 ferred to in paragraph (1) are—

17 (A) not later than the date that is 5 years
18 and 3 months after the end of the 6-month pe-
19 riod described in subsection (b); and

20 (B) not later than 5 years after the date
21 described in subparagraph (A).

22 (3) PERIODIC REPORTS.—The Director of the
23 Administrative Office of the United States Courts,
24 in consultation with the chief judge of each of the
25 district courts designated under subsection (b) and

1 the Director of the Federal Judicial Center, shall
2 keep the committees referred to in paragraph (1) in-
3 formed, on a periodic basis while the pilot program
4 is in effect, with respect to the matters referred to
5 in subparagraphs (A) through (E) of paragraph (1).

6 (f) AUTHORIZATION FOR TRAINING AND CLERK-
7 SHIPS.—

8 (1) IN GENERAL.—In addition to any other
9 funds made available to carry out this section, there
10 are authorized to be appropriated not less than
11 \$5,000,000 in each fiscal year for—

12 (A) educational and professional develop-
13 ment of those district judges designated under
14 subsection (a)(1)(A) in matters relating to pat-
15 ents and plant variety protection; and

16 (B) compensation of law clerks with exper-
17 tise in technical matters arising in patent and
18 plant variety protection cases, to be appointed
19 by the courts designated under subsection (b)
20 to assist those courts in such cases.

21 (2) AVAILABILITY OF FUNDS.—Amounts made
22 available pursuant to this subsection shall remain
23 available until expended.