

COMPARISON OF KEY PROVISIONS OF S. 23 (as passed) and H.R. 1249 (as reported)

Topic	S. 23 As Passed by the Senate (03/08/2011)	H.R. 1249 As Reported by House Jud. Com. (3/14/11)
First-Inventor-To-File	<p>- 35 U.S.C. § 102 modified to grant a patent to the first-inventor-to-file an application. It -</p> <ul style="list-style-type: none"> • Precludes patenting of an invention that was disclosed before the effective filing date of an application claiming the invention as a result of it having been: <ul style="list-style-type: none"> - patented, described in a printed publication or used, sold, or otherwise made it available to the public, or - described in a patent or in a published application by another inventor that was effectively filed before the effective filing date of the application claiming the invention. • Retains a one-year grace period for any otherwise patent-defeating disclosure, that was made one year or less before the effective filing date of the application claiming the invention, by the inventor or by someone who obtained the invention from the inventor. • Enhances the one-year grace period by providing that only the inventor who first discloses the invention can later obtain a patent on it. • Eliminates the geographical limitation in current law that allows foreign inventors to obtain patents in the U.S. that were publicly known or used in their countries but not in the U.S. 	<p>- 35 U.S.C. § 102 modified to grant a patent to the first-inventor-to-file an application.</p> <ul style="list-style-type: none"> • Same as S. 23. • Same as S. 23. • Same as S. 23. • Same as S. 23.

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	<ul style="list-style-type: none"> • Eliminates the possibility that a secret use of an invention or a mere offer for sale that does not publicly disclose an invention by an inventor can be used to prevent the inventor from obtaining a patent. • Enlarges the protections in current law that eliminate the earlier patent filings of coworkers and other collaborators as patent-defeating disclosures to a later-sought patent by an inventor. 	<ul style="list-style-type: none"> • Same as S. 23. • Same as S. 23.
<p>Prior User Rights</p>	<p>- No comparable provision.</p> <p>- 35 U.S.C. § 273 amended to extend the right to assert a PUR defense to any entity that controls, is controlled by, or is under common control with a person or entity that performed or caused the performance of the acts necessary to establish the defense.</p>	<p>- 35 U.S.C. § 273 amended to extend scope of PURs to use of all inventions (not just "method" inventions), provided that:</p> <ul style="list-style-type: none"> • in addition to having actually reduced the invention to practice, the person asserting the defense also commercially used the invention at least one year before the effective filing date of the patent claiming the invention. • the prior commercial use of the invention occurred before the invention was publicly disclosed to the public by the inventor in a manner that qualified the disclosure to be an exception from constituting patent-defeating prior art. • the patented invention was not developed under a federally funded R&D agreement or by a university or tech transfer organization that did not receive funding for its development from a private business enterprise. <p>- Same as S. 23</p>

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	- Requires the Director to compare and report on the operation of PURs in patent laws in the United States and the laws of other countries, including members of the EU and Japan, Canada, and Australia.	- No comparable provision
POST-GRANT PROCEDURES		
1. Ex Parte Reexamination	<p>- 35 U.S.C. § 301 amended to:</p> <ul style="list-style-type: none"> • Permit submission of written statements of the patent owner filed in a Federal court or the PTO expressing a position on the scope of any claim of a patent in any post-grant proceeding. • Upon request, exclude from the patent file and keep confidential the identity of any person citing prior art or written statements. <p>- 35 U.S.C. § 306 amended to remove review by civil action in district court.</p>	<p>- Same as S. 23.</p> <p>- Same as S. 23.</p>
2. Inter Partes Reexamination	<p>- Amends Chapter 31 by replacing “Optional Inter Partes Reexamination Procedures” with “Inter Partes Review” (IPR).</p> <ul style="list-style-type: none"> • Filing permitted 9 months after grant or after any PGR initiated has been terminated. • Only on basis of §§ 102 or 103 and only on the basis of prior art patents or printed publications. 	<p>- Similar to S. 23.</p> <ul style="list-style-type: none"> • Filing permitted 1 year after grant or after any PGR initiated has been terminated. • Same as S. 23.

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	<ul style="list-style-type: none"> • Threshold: reasonable likelihood that petitioner would prevail with respect to at least 1 challenged claim. • IPR may not be instituted or maintained if petitioner/real party in interest has filed a civil action challenging the validity of a claim, or instituted if filed more than 6 months after the date on which the petitioner/real party in interest is served with a complaint. • No comparable provision. • PTAB to conduct each IPR. • Estoppels <ul style="list-style-type: none"> - Final decision of validity in IPR precludes IPR petitioner/real party in interest from requesting any proceeding before the Office on the basis of any grounds that the party raised or reasonably could have raised during the PGR. - Final decision of validity in IPR precludes IPR petitioner/real party in interest from asserting invalidity in a civil action or ITC proceeding on the basis of any grounds the party raised during or reasonably could have raised during the IPR. • Final determination in 1 year (18 months upon showing of good cause). • No comparable provision • No comparable provision 	<ul style="list-style-type: none"> • Same as S. 23. • IPR may not be instituted if petitioner/real party in interest has filed a civil action challenging the validity of a claim, or instituted if the petition is filed more than 1 year after the date on which the petitioner/real party in interest is served with a complaint. <ul style="list-style-type: none"> • DJ action filed by petitioner/real party in interest on/after date an IPR is filed is automatically stayed unless <ul style="list-style-type: none"> - patent owner requests stay be lifted or files infringement action against petitioner/real party in interest, or - the petitioner/real party requests dismissal of DJ action. • Same as S. 23. • Estoppels <ul style="list-style-type: none"> - Same as S. 23. - Same as S. 23. • Same as S. 23. • Upon request of party, settlement agreements to IPRs to be treated as “business confidential.” • Amended and new claims shall have the same effect as that specified in section 252 for claims in reissued patents.

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<p>3. Post-Grant Review</p>	<p>- Establishes a new Chapter 32 post-grant review proceeding (PGR) in which cancellation of a patent may be sought on any ground of invalidity within 9 months after the patent is issued.</p> <ul style="list-style-type: none"> • Scope: any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity). • Real parties in interest must be identified. • Threshold: <ul style="list-style-type: none"> - petition presents information that, if not rebutted, would demonstrate it more likely than not that at least 1 challenged claim is unpatentable, or - petition raises a novel or unsettled legal question important to other patents. • PGR may not be instituted or maintained if real party in interest has filed a civil action challenging the validity of a claim. • No comparable provision. • A court may not stay consideration of motion for preliminary injunction on the basis that a PGR has been requested or instituted if an infringement action is filed within 3 months of patent grant. • PTAB to conduct each IPR. • Patentee may propose a reasonable number of substitute claims for each challenged claim. 	<p>- Establishes a new Chapter 32 post-grant review proceeding (PGR) in which cancellation of a patent on any ground of invalidity may be sought within 1 year after the patent is issued.</p> <ul style="list-style-type: none"> • Same as S. 23. • Same as S. 23. • Threshold: <ul style="list-style-type: none"> - Same as S. 23. - Same as S. 23. • Same as S.23. <ul style="list-style-type: none"> • DJ action filed by petitioner/real party in interest on/after date an PGR is filed is automatically stayed unless <ul style="list-style-type: none"> - patent owner requests stay be lifted or files infringement action against petitioner/real party in interest, or - petitioner/real party requests dismissal of DJ action. • Same as S. 23. • Same as S. 23. • Same as S. 23.

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	<ul style="list-style-type: none"> • Burden of proof on petitioner is by a preponderance of evidence. • PGR to conclude in 1 year (18 months for good cause). • Estoppels: <ul style="list-style-type: none"> - Final decision of validity in PGR precludes PGR petitioner/real party in interest from requesting any proceeding before the Office on the basis of any grounds that the party raised or reasonably could have raised during the PGR. - Final decision of validity precludes PGR petitioner/real party in interest from asserting invalidity in a civil action or ITC proceeding on the basis of any grounds the party raised during PGR. • No comparable provision. • No comparable provision. 	<ul style="list-style-type: none"> • Same as S. 23. • Same as S. 23. • Estoppels: <ul style="list-style-type: none"> - Same as S. 23. - Same as S. 23. • Upon request of party, settlement agreements to IPRs to be treated as “business confidential.” • Amended and new claims shall have the same effect as that specified in section 252 for claims in reissued patents.
<p>Inequitable Conduct</p>	<p>- No provision.</p>	<p>- No provision.</p>
<p>Supplemental Examination</p>	<p>- Adds a new section 257 permitting a patent owner to request a “supplemental examination” of a patent to consider or correct information believed to be relevant to the patent. A patent emerging from such procedure shall, if certain time limits are met, not be unenforceable on the ground that the information was not previously considered.</p>	<p>- Also adds a new section 257 permitting a patent owner to request “supplemental examination, but -</p> <p>- provides that there can be no supplemental examination of a patent in connection with which the Director determines that fraud was practiced.</p>

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Best Mode Requirement	- 35 U.S.C. § 112 requirement to disclose best mode is retained, but 35 U.S.C. § 282 amended to remove failure to disclose best mode as a defense.	- Same as S. 23.
Willful Infringement	- Contains no definition of the acts that constitute willful infringement. - Provides that failure to obtain advice of counsel with respect to an allegedly infringed patent or the failure to present such advice may not be used to prove willful infringement.	- Same as S. 23. - Same as S. 23.
Damages	- No provision.	- No provision.
Venue	- No provision on where actions for infringement may be brought. - No comparable provision.	- Same as S. 23. - Provides that district court review of Director's actions shall be by the U.S. District Court for the ED of Virginia rather than for DC.
3rd Party Submission of Prior Art	- 35 U.S.C. § 122 amended to permit the public to submit patents and other publications before the earlier of (i) the date a notice of allowance is mailed, or (ii) the later of either six months after the application's publication, or the date of the first action on the merits.	- Same as S. 23.
Patent Marking	- Provides that only the United States may bring an action to recover the penalty for false marking. - Provides a private right of action to recover damages adequate to compensate for competitive injury suffered from false marking.	- Same as S. 23. - Same as S. 23

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	- No comparable provision.	- Provides a three-year "safe harbor" after patent expiration to place "expired" on marked articles or through posting on the Internet.
Tax Patents	- Provides that inventions for reducing or deferring tax liability cannot be differentiated from prior art.	- Also provides that inventions for reducing or deferring tax liability cannot be differentiated from prior art, but adds express exclusions for inventions that are used solely for preparing a tax return, or used solely for financial management (to the extent it is severable from, or does not limit the use of, any tax strategy).
Business Method Patents	- Establishes a four-year transitional post-grant review proceeding under which - <ul style="list-style-type: none"> • the validity of certain defined business-method patents may be reviewed; • a party may seek a stay of any civil action involving a patent in a transitional proceeding and the court shall decide whether to enter a stay; and • an immediate interlocutory appeal to the Federal Circuit of any district court stay decision shall be available and such review may be de novo. 	- Establishes a ten-year transitional post-grant review proceeding - <ul style="list-style-type: none"> • same as S. 23. • same as S. 23. • same as S. 23.
Joinder Customer/ User Suits	- No comparable provision.	- Permits joinder as defendants in an infringement action only those parties against which a right to relief is asserted jointly or severally, or that arose out of the same transaction, and, in which questions of fact common to all defendants will arise in the action.
USPTO Fee Setting Authority	- Authorizes the Director to fix all patent and trademark fees, subject to 45 day review by the PPAC and TPAC, 45 day public comment period, and a 45 day review by Congress.	- Similar to S. 23, but the Director's authority to fix fees is sunset in six years.

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USPTO Funding Authority (Anti- Diversion)	- Establishes a revolving fund (USPTO Public Enterprise Fund) into which all fees shall be deposited for use by the Director to cover Office expenses without fiscal year limitation.	- Same as S. 23.