

107TH CONGRESS  
1ST SESSION

# H. R. 1333

To amend title 35, United States Code, to provide for improvements in the quality of patents on certain inventions.

---

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2001

Mr. BERMAN (for himself and Mr. BOUCHER) introduced the following bill; which was referred to the Committee on the Judiciary

---

## A BILL

To amend title 35, United States Code, to provide for improvements in the quality of patents on certain inventions.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Patent Improvement  
5 Act of 2001”.

6 **SEC. 2. OPPOSITION PROCEDURES.**

7 (a) IN GENERAL.—Title 35, United States Code, is  
8 amended by inserting after chapter 31 the following new  
9 chapter:

## 1 **“CHAPTER 32—OPPOSITION PROCEDURES**

“Sec.

“321. Opposition procedures.

“322. Effect on other proceedings.

### 2 **“§ 321. Opposition procedures**

3 “(a) ADMINISTRATIVE OPPOSITION PANEL.—

4 “(1) ESTABLISHMENT.—The Director shall, not  
5 later than 1 year after the date of enactment of the  
6 Patent Improvement Act of 2001, establish an Ad-  
7 ministrative Opposition Panel. The Administrative  
8 Opposition Panel shall be comprised of not less than  
9 18 administrative opposition judges, each of whom  
10 shall be an individual of competent legal knowledge  
11 and scientific ability. Upon establishment of the Ad-  
12 ministrative Opposition Panel, the Director shall  
13 publish notice of the establishment of the Panel in  
14 the Federal Register.

15 “(2) ASSIGNMENT OF PATENT EXAMINERS TO  
16 PANEL.—Patent examiners may be assigned on de-  
17 tail to assist the Administrative Opposition Panel in  
18 carrying out opposition proceedings under this sec-  
19 tion, except that a patent examiner may not be as-  
20 signed to assist in review of a patent application ex-  
21 amined by that patent examiner. The Director shall  
22 establish procedures by which an opposition is heard  
23 under subsection (b).

24 “(b) OPPOSITION PROCEDURES.—

1           “(1) REQUEST FOR OPPOSITION.—(A) Any per-  
2           son may file a request for an opposition to a patent  
3           on the basis of section 101, 102, 103, or 112 of this  
4           title. Such a request is valid only if the request—

5                   “(i) is made not later than 9 months after  
6                   the date of issuance of the patent;

7                   “(ii) is in writing;

8                   “(iii) is accompanied by payment of the  
9                   opposition fee set forth in section 41(a) of this  
10                  title; and

11                  “(iv) sets forth in detail the basis on which  
12                  the opposition is requested.

13           “(B) Not later than 60 days after receiving a  
14           valid request under subparagraph (A), the Director  
15           shall issue an order for an opposition proceeding to  
16           be held on the record after opportunity for a hear-  
17           ing, and shall promptly send a copy of the request  
18           to the owner of record of the patent. The patent  
19           owner shall be provided a reasonable period, but in  
20           no case less than 60 days after the date on which  
21           a copy of the request is given or mailed to the pat-  
22           ent owner, within which the owner may file a state-  
23           ment in reply to the grounds for the request for op-  
24           position, including any amendment to the patent and  
25           new claim or claims, for consideration in the opposi-

1       tion proceeding. If the patent owner files such a  
2       statement, the patent owner shall promptly serve a  
3       copy of the statement on the third-party requester.  
4       Not later than 2 months after the date of such serv-  
5       ice, the third-party requester may file and have con-  
6       sidered in the opposition proceeding a reply to the  
7       statement filed by the patent owner.

8           “(2) CONDUCT OF OPPOSITION PRO-  
9       CEEDINGS.—Each opposition shall be heard by one  
10       administrative opposition judge, and no party shall  
11       be permitted ex parte communication with the ad-  
12       ministrative opposition judge. In addition to the  
13       statements and replies set forth in paragraph (1),  
14       the administrative opposition judge may consider  
15       evidence that the judge considers relevant, including  
16       evidence that is presented in any oral testimony (in-  
17       cluding exhibits and expert testimony) in direct or  
18       cross examination, or in any deposition, affidavit, or  
19       other documentary form, whether voluntary or com-  
20       pelled. In any opposition proceeding, the Federal  
21       Rules of Evidence shall apply.

22           “(3) AMENDMENTS TO PATENT CLAIMS.—A  
23       patent applicant may propose to amend a patent  
24       claim or propose a new claim at any time during the  
25       opposition proceeding, except that no proposed

1 amended or new claim enlarging the scope of a claim  
2 of the patent may be permitted at any time during  
3 an opposition proceeding under this section.

4 “(4) DETERMINATION.—Not later than 18  
5 months after the filing of a request for an opposition  
6 under this section, the administrative opposition  
7 judge in the opposition proceeding shall determine  
8 the patentability of the subject matter of the patent,  
9 a record of the administrative opposition judge’s de-  
10 termination under this section shall be placed in the  
11 official file of the patent, and a copy shall promptly  
12 be given or mailed to the owner of record of the pat-  
13 ent and to the third-party requester.

14 “(5) APPEALS.—Any party to the opposition  
15 may appeal a decision of the Administrative Opposi-  
16 tion Panel under the provisions of section 134 of  
17 this title, and may seek court review under the pro-  
18 visions of sections 141 through 145 of this title, with  
19 respect to any decision in regard to the patentability  
20 of any original or proposed amended or new claim  
21 of the patent. A patent owner may be a party to an  
22 appeal taken by a third-party requester. Any third-  
23 party requester may be a party to an appeal taken  
24 by a patent owner.

1           “(6) CERTIFICATION OF PATENTABILITY.—In  
2           an opposition proceeding under this chapter, when  
3           the time for appeal has expired or any appeal pro-  
4           ceeding has terminated, the Director shall issue and  
5           publish a certificate canceling any claim of the pat-  
6           ent finally determined to be unpatentable, con-  
7           firming any claim of the patent determined to be  
8           patentable, and incorporating in the patent any pro-  
9           posed amended or new claim determined to be pat-  
10          entable.

11           “(7) EFFECT OF DETERMINATION.—Any pro-  
12          posed, amended, or new claim determined to be pat-  
13          entable and incorporated into a patent following an  
14          opposition proceeding shall have the same effect as  
15          that specified in section 252 of this title for reissued  
16          patents on the right of any person who made, pur-  
17          chased, or used within the United States, or im-  
18          ported into the United States, anything patented by  
19          such proposed amended or new claim, or who made  
20          substantial preparations therefor, prior to issuance  
21          of a certificate under paragraph (6) of this sub-  
22          section.

23   **“§ 322. Effect on other proceedings**

24           “(a) RIGHT TO LITIGATION.—Subject to subsections  
25 (b) and (c), proceedings under section 321 shall not alter

1 or prejudice any party's right to pursue remedies under  
2 provisions of law other than this section. In the case of  
3 court proceedings, other than an appeal of a decision in  
4 an opposition proceeding under section 321, the court may  
5 consider any matter independently of any opposition pro-  
6 ceeding under this section.

7       “(b) EFFECT OF FINAL DECISION.—

8               “(1) IN FUTURE OPPOSITION PROCEEDINGS.—

9       If a final decision has been entered against a party  
10       in a civil action arising in whole or in part under  
11       section 1338 of title 28, establishing that the party  
12       has not sustained its burden of proving the invalidity  
13       of any patent claim, or if a final decision in an inter  
14       partes reexamination proceeding instituted by a  
15       third-party requester is favorable to the patentability  
16       of any original or proposed amended or new claim  
17       of the patent—

18               “(A) neither that party to the civil action,  
19       the third-party requester, nor the privies of that  
20       party or third-party requester may thereafter  
21       request an opposition to such patent claim on  
22       the basis of issues which that party, third-party  
23       requester, or the privies of that party or third-  
24       party requester raised in such civil action or

1 inter partes reexamination proceeding (as the  
2 case may be); and

3 “(B) an opposition requested by that  
4 party, third-party requester, or the privies of  
5 that party or third-party requester on the basis  
6 of such issues may not thereafter be maintained  
7 by the Office.

8 “(2) EFFECT OF FINAL DECISION IN OPPOSI-  
9 TION.—If a final decision in an opposition pro-  
10 ceeding instituted by a third-party requester is fa-  
11 vorable to the patentability of any original or pro-  
12 posed amended or new claim of the patent—

13 “(A) neither the third-party requester, nor  
14 the privies of that third-party requester, may  
15 thereafter bring a civil action under section  
16 1338 of title 28, or request an inter partes re-  
17 examination of, or an opposition to, such patent  
18 claim on the basis of issues which that third-  
19 party requester, or the privies of that third-  
20 party requester, raised in such opposition pro-  
21 ceeding; and

22 “(B) an inter partes reexamination or op-  
23 position requested by that third-party requester,  
24 or the privies of that third-party requester, on

1           the basis of such issues may not thereafter be  
2           maintained by the Office.

3           “(3) NEW EVIDENCE.—Paragraphs (1) and (2)  
4           do not prevent the assertion by a party to a civil ac-  
5           tion or a third-party requester of invalidity based on  
6           newly discovered prior art, or other evidence, un-  
7           available to that party or third-party requester, as  
8           the case may be, and the Patent and Trademark Of-  
9           fice, at the time of the civil action, inter partes reex-  
10          amination, or opposition proceeding (as the case  
11          may be).

12          “(c) STAY OF LITIGATION.—Once an order for an op-  
13          position proceeding with respect to a patent has been  
14          issued under section 321(b)(1)(B), any party to the pro-  
15          ceeding may obtain a stay of any pending court proceeding  
16          (other than an appeal to the Court of Appeals for the Fed-  
17          eral Circuit) which involves an issue of patentability of any  
18          claims of the patent which are the subject of the opposi-  
19          tion proceeding, unless the court before which such litiga-  
20          tion is pending determines that a stay would not serve the  
21          interests of justice.”.

22          (b) FEES.—Section 41(a) of title 35, United States  
23          Code, is amended—

1           (1) by redesignating paragraphs (7) through  
 2           (15) as paragraphs (9) through (17), respectively;  
 3           and

4           (2) by inserting after paragraph (6) the fol-  
 5           lowing:

6           “(7)(A) On filing an opposition under chapter  
 7           32 to a patent based on prior art citations or obvi-  
 8           ousness, a fee of \$200.

9           “(B) On filing an opposition under chapter 32  
 10          to a patent on any other basis, a fee of \$5,000.

11          “(C) The Director may waive the payment by  
 12          an individual of fees under this paragraph if such  
 13          waiver is in the public interest.

14          “(8) On filing a request for a proceeding to de-  
 15          termine whether an invention claimed in an applica-  
 16          tion was known or used, or has been in public use  
 17          or on sale, under section 102, a fee of \$35.”.

18          (b) CLERICAL AMENDMENT.—The table of chapters  
 19          for part III of title 35, United States Code, is amended  
 20          by adding at the end the following:

**“32. Opposition Procedures ..... 321.”.**

21          **SEC. 3. NONOBVIOUSNESS.**

22          Section 103 of title 35, United States Code, is  
 23          amended by adding at the end the following:

24          “(d)(1) An invention shall be presumed obvious under  
 25          this section if the only significant difference between the

1 combined teachings of the prior art and the claimed inven-  
2 tion is that the claimed invention is appropriate for use  
3 with a computer technology, unless—

4           “(A) the application of the computer technology  
5           is novel; or

6           “(B) the computer technology is novel and not  
7           the subject of another patent or patent application.

8           “(2)(A) An applicant or patentee may rebut the pre-  
9           sumption under paragraph (1) upon a showing by a pre-  
10          ponderance of the evidence that the invention is not obvi-  
11          ous to persons of ordinary skill in all relevant arts.

12          “(B) Those areas of art which are relevant for pur-  
13          poses of subparagraph (A) include the field of the com-  
14          puter implementation.”.

15 **SEC. 4. REQUIREMENT TO DISCLOSE SEARCH.**

16          The Director of the Patent and Trademark Office  
17          shall, within 30 days after the date of enactment of this  
18          Act, publish notice of rulemaking proceedings to amend  
19          the rules of the Patent and Trademark Office to require  
20          an applicant for a patent to disclose in the application the  
21          extent to which the applicant searched for prior art to  
22          meet the requirements of title 35, United States Code.  
23          Such amendment shall include appropriate penalties for  
24          failure to comply with such requirement. The Director

1 shall ensure that the amendment is implemented as  
2 promptly as possible.

3 **SEC. 5. CONFORMING AMENDMENTS.**

4 (a) DEFINITIONS.—Section 100(e) of title 35, United  
5 States Code, is amended by striking “or inter partes reex-  
6 amination under section 311” and inserting “, inter partes  
7 reexamination under section 311, or an opposition under  
8 section 321,”.

9 (b) BOARD OF PATENT APPEALS AND INTER-  
10 FERENCES.—Section 134 of title 35, United States Code,  
11 is amended—

12 (1) in subsection (b)—

13 (A) by inserting “or opposition” after “re-  
14 examination”; and

15 (B) by inserting “or the Administrative  
16 Opposition Panel (as the case may be)” after  
17 “administrative patent judge”; and

18 (2) in subsection (c)—

19 (A) by striking “proceeding” and inserting  
20 “reexamination proceeding or an opposition  
21 proceeding”;

22 (B) by inserting “or the Administrative  
23 Opposition Panel (as the case may be)” after  
24 “administrative patent judge”; and

1           (C) in the last sentence, by inserting “in  
2           an inter partes reexamination proceeding” after  
3           “requester”.

4           (c) APPEAL TO COURT OF APPEALS.—(1) Section  
5 141 of title 35, United States Code, is amended in the  
6 second sentence by inserting after “reexamination pro-  
7 ceeding” the following: “, and any party in an opposition  
8 proceeding, who is”.

9           (2) Section 143 of title 35, United States Code, is  
10 amended by inserting after the third sentence the fol-  
11 lowing: “In any opposition proceeding, the Administrative  
12 Opposition Panel shall submit to the court in writing the  
13 grounds for the decision of the Panel, addressing all the  
14 issues involved in the appeal.”.

15 **SEC. 6. EFFECTIVE DATE.**

16           (a) IN GENERAL.—Subject to subsections (b), (c),  
17 and (d), this Act and the amendments made by this Act  
18 apply to—

19           (1) any application for patent that is pending  
20           on, or that is filed on or after, the date of enactment  
21           of this Act; and

22           (2) any patent issued on or after the date of en-  
23           actment of this Act.

24           (b) PATENTS ISSUED BEFORE ESTABLISHMENT OF  
25 ADMINISTRATIVE OPPOSITION PANEL.—In the case of a

1 patent issued after the enactment of this Act but before  
2 the date on which notice of the establishment of the Ad-  
3 ministrative Opposition Panel is published under section  
4 321(a)(1) of title 35, United States Code (as added by  
5 this Act), a request for an opposition to the patent may  
6 be filed under section 321(b)(1)(A) of title 35, United  
7 States Code (as added by this Act), notwithstanding the  
8 9-month requirement set forth in clause (i) of that section,  
9 if the request is filed not later than 9 months after the  
10 date on which such notice is so published.

○