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June 20, 2022

The Honorable Patrick Leahy, Chair
The Honorable Thom Tillis,
Ranking Member
Subcommittee on Intellectual Property
Committee on the Judiciary
United States Senate
Washington, D.C.

The Honorable Henry C. “Hank” Johnson, Chair
The Honorable Darrell Issa, Ranking Member
Subcommittee on Courts, Intellectual Property, and
the Internet,
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C.

Re: Senate Hearing on the Patent Trial and Appeal Board: [Examining Proposals to Address Predictability, Certainty, and Fairness](#) (June 22, 2022; 2:30 p.m.; Dirksen 226); House Hearing on the [Patent Trial and Appeal Board After 10 Years: Impact on Innovation and Small Businesses](#) (June 23, 2022, 10:00 a.m.; 2141 RHOB)

Distinguished Chairs and Ranking Members:

Congratulations on the decision to move forward with this week’s Senate and House hearings addressing the impact of the PTAB on innovation and small businesses, and the predictability, certainty, and fairness of PTAB proceedings. These hearings appear certain to offer important policy insights on issues that lie at the heart of the patent system—and to illuminate options for refining the historic patent system reforms enacted through the [Leahy-Smith America Invents Act](#). I believe your respective subcommittees are now positioned to gather many proposals that could elevate the fairness and effectiveness of the PTAB in ways that go well beyond the measures in the recently introduced [Patent Trial and Appeal Board \(PTAB\) Reform Act of 2022](#).

To this end, I am attaching to this letter proposals, in the form of a legislative discussion draft, that your subcommittees may find worthy of consideration. The proposals in the attachment are an extension of my work with the [Naples Roundtable](#), specifically efforts to develop [fresh thinking](#) on reform measures that might materially *simplify and streamline* each of the critical components necessary for an effectively functioning, high-integrity patent system.

The attachment, as explained in more detail below, is an effort to construct a PTAB-focused set of patent reforms that address current criticisms of the operation of the U.S. patent system—in the belief that a fuller and more effective use of the resources that the USPTO has assembled within the PTAB holds the key to increasing the integrity of and the respect for our patent system. As noted below, the attached discussion proposal has three distinct aspects, each of which is separately detailed in the discussion below.

The Importance of the PTAB and Leveraging the New Opportunities That It Offers

If nothing else, the experience with the PTAB's operation over the past decade has revealed an entirely new patent system reality: *The PTAB, through the work of its [more than 200 technically and legally trained administrative patent judges](#), now constitutes a near-optimal forum for fairly and efficiently addressing all issues of the validity of issued patents.* Beyond dispute, the United States Patent and Trademark Office has now assembled a cadre of resolute public servants within the PTAB who are able to address the most complex patent validity issues fairly and efficiently, even for the most complex contemporary technologies.

One challenge for the patent system—and Congress—is how best to make use of this unique resource. A companion challenge is to optimize other aspects of the patent law under which the PTAB operates to better leverage the PTAB's full potential. These challenges, thus, afford Congress the opportunity for designing a much more central role for the PTAB in the fair and efficient resolution of all patent validity disputes. Below, I will endeavor to address *changes to our patent laws that might fully meet these challenges and realize this opportunity.*

The Imperative to Address the Criticisms of the Patent System's Operation Holistically

The aforementioned challenges and opportunities have arisen at a unique time in the life of the U.S. patent system. Never has the need for our patent system to harness the PTAB's potential to elevate the integrity of its operations been greater. Over my now more than four decades of [advocacy for major patent system reforms](#), I have never witnessed more pointed [criticism of how our patent system operates](#). Congress now faces legislating against the backdrop of a “bad patents” scenario to which it must forcefully react—but not overreact.

Congress is being urged to respond to the threats from “low-quality patents,” often said to be owned by “patent trolls,” who then are said to “take advantage of asymmetries in the economics of [patent] litigation to make quick cash.” These supposed “bad actors,” holding “bad patents,” are often accused of working their alleged patent evils [through patent thickets](#). This narrative has become a difficult one for Congress—or any constituency within the patent community—to ignore, in large part because these concerns have a component that is undeniably grounded in reality.

As this week's hearings may suggest, the PTAB's resources can be deployed more effectively to diminish the potency of that narrative—perhaps even moot it once and for all. *How can the PTAB's capability to bring an unprecedented degree of fairness, promptness, economy, and reliability to assessments of patent validity be leveraged to address—and hopefully assist in quieting—longstanding criticism of the operation of the U.S. patent system?*

It is to these ends that I have offered the aforementioned legislative discussion draft. It offers ideas for responding directly to criticisms of the PTAB's operation and the patent system more generally.

As suggested above, the fundamental theme of the attached discussion document is that *simplifying and streamlining elements of our patent system* can be done in ways that would enhance the reliability of the patent rights of innovators, while addressing a broad array of concerns that the patent system is far too open to potential abuse—a *fact that even the strongest proponents of a strong patent system cannot deny*. The PTAB reform measures are featured in the attached a part of a more holistic approach to improving the integrity of the operation of the U.S. patent system. This holistic approach addresses all post-issuance patent validity review procedures that involve the PTAB, aspects of the law on patent validity that must be applied by the PTAB, and the patent examination process that results in issuing the patents eventually reviewed through the PTAB.

The Need for a Three-Pronged Approach to Addressing Critics of Today's Patent System

Given triple imperatives to issue fewer “low quality patents,” remove incentives that encourage the generation of “patent thickets,” and a severely blunt “the asymmetry in patent validity determination economics,” the aforementioned proposal contains the three distinct, but interrelated parts, referenced above. At a high level, these elements can be summarized as follows:

- *Rationalize the operation of the multiplicity of procedures in the USPTO that address in a substantive manner the validity of issued patents.* There are currently four post-issuance patent validity review procedures, *i.e.*, patent reissue, post-grant review, ex parte reexamination, and inter partes review, which can or must involve the PTAB. The needed rationalization of these proceedings that I propose would maintain four separate procedures, *but tune each to a single, specialized purpose*. One proceeding would exist exclusively for the USPTO Director, acting *sua sponte*, to use to reexamine the claims of an issued patent. A second proceeding would be designed exclusively for the patent owner seeking to amend (or otherwise have reexamined) the claims of a patent. A third proceeding would then be open to any member of the public to raise invalidity issues with respect to each newly issued patent. The fourth and final proceeding would be exclusively available to accused patent infringers seeking to contest the validity of an issued patent. This fourth procedure would replace the current inter partes review with a *simplified, streamlined, and more expansive one* that would authorize the PTAB to address *all patent validity issues* that an accused infringer could raise as a defense to patent infringement.
- *Simplify patent validity determinations.* To appropriately confine patents to subject matter meriting exclusive rights, the legal foundation of every patent system ultimately rests on the consistent and reliable application of just four patentability requirements, which become requirements for determining if the claims of the patent are valid. These *four pillars of patentability* require that (1) patent-eligible subject matter must be limited to practically useful applications of technology; (2) claimed subject matter must be confined to that which differs a non-obviousness manner over prior, publicly available technology; (3) the scope of what is claimed must be additionally confined to what the patent specification itself demonstrates was actually invented and able to be put into practice without the need for undue experimentation; and (4) claims in patents must

define the patent-protected subject matter with reasonable certainty. The discussion proposal that I have attached is premised on the assumption that the work of the USPTO in examining patent applications—and the work of the PTAB in particular—would optimally focus entirely on just these four issues, *leaving other policy-driven limitations on the enforceability of patent rights to the courts*. To advance this end, I offer three proposals in the attachment to *recast three current patent validity requirements as patent enforceability issues*. This transformation would preclude finding patent claims invalid based upon (1) obviousness-type double patenting, (2) use or sale activities attributable to the inventor that are not available to the public, and (3) incorrect inventorship. Instead, the courts in patent infringement actions would address such matters through new unenforceability defenses to patent infringement—if and when the underlying patent policies involved required such consideration. As such, this conversion results in patent validity determinations that will be limited to objective issues, specifically issues not requiring extensive discovery. They also move to patent infringement litigation unenforceability issues that will arise with extreme infrequency, if ever. A final aspect of this second reform element would institute new requirements on patent applicants with respect to the information that they are required to disclose during the patent examination process. These new requirements are designed to reduce the quantity of inconsequential patentability-related information patent applicants currently provide to patent examiners, while dramatically increasing the quality and value of the prior-art information applicants would be required to provide to patent examiners.

- *Simplify patent examination practices*. The work of patent examiners—and that of the administrative patent judges of the PTAB—becomes more complicated when a single initial patent filing is permitted to spawn a patent thicket, *i.e.*, as more and more patents may issue over time based upon such a single patent filing. The possibility for thickets of patents, and even thickets of claims within a single patent, can lead to extreme situations. In a recent appeal, the Federal Circuit cited to [over 100,000 claims that were presented for examination by just a single inventor](#). Even if post-issuance review patent validity review procedures are rationalized as described above—and the requirements for patent validity are more tightly focused on just the four pillars of patentability—it is problematic for the patent examiner or the APJs of the PTAB to undertake their work with thoroughness, promptness, and accuracy unless the patent application filing process can be reformed to effectively discourage patent and claiming thickets. To accomplish this objective, I propose in the discussion draft that the patent statute offer inventors a *file-once, examine-once, and issue-once* approach to patent examination. Once a patent application is filed, all its claims are examined at once, eliminating a typical practice today where the patent examiner may restrict which claims are initially examined and force additional “divisional” patent filings to protect inventions defined by the claims not initially examined. In addition, new fees are proposed below that address excessive numbers of claims. These fees are designed to profoundly discourage unduly multiplying the number of claims in any patent application. Together, these anti-thicketing initiatives offer the potential to bring the quality of patent examination to an entirely new level of excellence, particularly when combined with the aforementioned simplification of the law on patent validity.

As noted in the discussion above, the three elements for patent reform proposed above were assembled in a single package precisely because of the potential to operate with a powerful synergy. The greater the ability of patent examiners to focus their patent examination work on just the four pillars of patentability, and the more informative the patent applicant input into the patent examination process, the greater the likelihood that each patent examination outcome will be full complete and highly accurate.

Similarly, the more objective and the higher the transparency of the underlying patent validity requirements, the greater the likelihood that the initial examination of a patent application will be accurate and complete. The greater the likelihood of an accurate and complete examination, the lesser the prospective burden on the USPTO's procedures for post-issuance validity review of issued patents. In turn, the lesser the burden on the USPTO's post-issuance review resources, the greater the prospect that each such proceeding can offer a fair and efficient determination of any patent validity issues being raised.

Lastly, the more effectively each of the four post-issuance review procedure can be tuned and tailored to address the needs of the parties involved, the higher the prospect of a fair and efficient process. This is especially true for accused patent infringers—the predominate users of today's inter partes review procedure—where the highest and best use of the capabilities of the PTAB holds the potential to supplant the need for a federal district court to address any issue of patent validity in a civil action for patent infringement.

What follows is a more detailed discussion of each of the three elements of the attached discussion draft. It will offer some further background and rationale for the changes proposed.

I. PATENT POST-ISSUANCE REVIEW SIMPLIFICATION

Background

Congress has been enacting statutes that permit the USPTO to engage in the post-issuance review of the validity of claims of issued patents for the past 186 years. The earliest “patent reissue” statute traces its history back to the Patent Act of 1836 (Section 13; 5 Stat. 117; July 4, 1836). It took another 144 years before a second form of post-issuance review was enacted into law, the ex parte reexamination statute, which became law in 1980 through Public Law 96-517 (94 Stat. 3015; Dec. 12, 1980).

Since 1980, the pace of congressional action has been much faster. The efforts to enact the first inter partes process for reexamining issued patents only became law in 1999, with the enactment of the American Inventors Protection Act (Section 4602; Public Law 106-113; Nov. 29, 1999) providing the now-repealed “inter partes reexamination” procedure. The current inter partes review and post grant review came into being in 2011, with the Leahy-Smith American Inventors Protection Act that created today's PTAB.

In the two decades since the inter partes reexamination statute was enacted, Congress has had only a limited opportunity to step back and address a fundamental question: *How many such separate procedures are actually needed and how can these procedures be best tuned and*

customized to serve the need of the respective constituencies who may become parties to them? Over the past decade, there have been only limited discussions of the issue of “specialization”—how might the current post-issuance review procedures be optimized for use, and ultimately confined to use, by just a single constituency. A prime objective of Title I, as detailed below, is to advance this discussion on specialization and customization.

An Expanded Patent Reissue Statute with a Different Limitation on Broadening Claims

Title I would recodify the current patent reissue statute under Section 12 such that it could become the sole mechanism by which the *patent owner* could seek to amend patent claims or otherwise secure their reexamination. Compared to the existing statute, patent owners would have more facile and open access patent reissue—without any need for a showing of “error” in the original examination of a patent. Importantly, the revised reissue statute would define a different limitation on the use of the reissue process for the purpose of securing broadened patent claims. Section 12 proposes to do by limiting the availability of reissue to broaden patent claims to patent owners who seek a reissue within six years form the original nonprovisional patent application filing. This would replace the reissue statute’s current two-years limitation on a “broadening reissue” measured from the date of grant of the initially issued patent. Such a procedure would better meet the needs of the majority of patent owners, particularly those whose patents promptly issue, but then later discover a need for adjusting the claims of the patent.

Optimized Post-Grant Review for Members of the Public

Under Section 13 of Title I, the AIA post-grant review procedure would be substantially amended to permit PGR to become the sole forum for members of the public to challenge the validity of an issued patent in the USPTO. Substantial changes to the AIA PGR statute would accomplish this purpose, as well as address concerns of the public over its use. The deadline for petitioning for post-grant review would be expanded to 1-year from the date of issuance of the patent. The current estoppel provisions that preclude bringing subsequent invalidity challenges to an issued patent would be repealed. PGR institution would be non-discretionary, except in the situation where the USPTO found that no substantial legal or factual basis existed for challenging even a single claim of the patent. The PGR petition fee set by the Director could not exceed the fee for issuing a patent. For a patent containing more than 20 claims, the Director could order that invalidity issues proceed on the basis of representative claims. Given the simplification and streamlining of patent validity determinations set out in Title II and discussed below, the PGR process would be open to all newly issued patents, including first-to-invent patents—erasing the AIA limitation on PGR to only first-inventor-to-file patents. All these features, by removing existing impediments for prospective challengers to seek post-grant review, can be expected to increase the attractiveness of this procedure.

At the same time, this Section 13 incorporates changes to the AIA PGR statute to more fully account for the interests of patent owners seeking to defend the validity of patent claims. No patent could ever be subject to more than one PGR proceeding. A new summary judgment mechanism permits the Director to confine the review solely to grounds of invalidity where the petitioner has set out a substantial legal and factual basis. Where a multiplicity of grounds of invalidity is set out a PGR petition, the Director can similarly confine the PGR trial to

representative grounds. More importantly, a PGR petitioner unsuccessful at the PTAB would have no right to appeal a loss at trial. As with *ex parte* reexamination today, only the patent owner could institute an appeal to the Federal Circuit after an unfavorable decision by the PTAB. Finally, outside this PGR process, unless the petitioner is eventually accused of infringing the patent, there would be no other USPTO forum available for challenging issued patents. Except in the case of patent infringement litigation, the patent owner following a PTAB adjudication would have an expectation of “quiet title” to its patent rights vis-à-vis further USPTO challenges.

Ex Parte Reexamination Restricted to Director-Initiated Proceedings

As noted above, the modified PGR procedure has been expressly designed to be the sole mechanism for members of the public to address patent validity in the USPTO. This objective is accomplished in part through amendment of the *ex parte* reexamination statute under Section 14 of Title I. The amended statute would limit the availability of the *ex parte* reexamination process to the Director acting *sua sponte*. Thus, unlike under the current statute, patent owner requests and requests from members of the public to institute an *ex parte* reexamination would no longer be accepted—as described above, the patent owner would have the expanded reissue statute and members of the public would have access to a more inclusive PGR proceeding.

Unlike existing Director-ordered reexaminations under the current *ex parte* reexamination law, the reexamination under Section 14 would open to consideration any of the four pillars of patentability, not just novelty and non-obviousness. The Section 14 procedure would, however, limit the types of “prior art” that the Director can consider in instituting an *ex parte* reexamination to prior art in the form of patents and other printed publications—the same limitation applicable under the current patent statute.

Invalidity Proceedings Brought By Accused Infringers Replace Inter Partes Review

The final significant change in the post-issuance review universe comes in Section 15 of Title I. Under Section 15, the *inter partes* review statute would be repealed and replaced with a new trial procedure before the PTAB for determining patent validity questions raised by accused infringers in civil actions. These new procedures are simply called “invalidity proceedings” and would be instituted based upon “invalidity complaints,” which must be considered by the Director in the same manner discussed above for institution of post-grant reviews. Thus, institution of an invalidity proceeding is non-discretionary, but with the USPTO having the ability to issue use the various new mechanisms in the PGR statute to address issues of summary dismissal upon institution and representative claims and representative issues for adjudication. Otherwise, invalidity proceedings would materially differ from post-grant review only in barring amendments of patent claims during the proceeding, permitting the complainant the right of appeal any adverse decision to the Federal Circuit, and requiring invalidity be established before the PTAB using the same standard as would apply in the civil action.

While an accused infringer has the right to file an invalidity complaint at any time during the pendency of the civil action containing the accusation of infringement of the patent, the filing of the complaint within six months from the date of service of the complaint will preempt the consideration of invalidity in the civil action. This last aspect of this new invalidity proceeding

highly consequential. Because an invalidity complaint, unlike post-grant review, may address any issue of patent invalidity—not just novelty and non-obviousness over prior art—invalidity proceedings have the potential to bring an unprecedented level of promptness and economy to contested patent validity issues in civil actions for patent infringement.

II. PATENT VALIDITY DETERMINATIONS SIMPLIFICATION.

Background

The law on patent validity—and the effectiveness of the USPTO in applying that law—are inextricably tied together. The set of issues upon which the validity of an issued patent is assessed necessarily form the set of issues upon which the process of patent examination by the USPTO examiners must address. The more complex, arcane, subjective, and unpredictable the standards set for patent validity, the more challenging the job of the patent examiners to do their work in an accurate and complete manner. The lower the reliability of the examination, the greater the potential for calls upon USPTO resources for post-issuance reviews of issued patents—and the more difficult such reviews become at the PTAB.

The inextricable tie between validity law and its successful administration by patent examiner or APJ suggests that any effort at addressing “low quality patents” include an assessment of what a “high quality” law on patent validity would dictate. In reality, the underlying thesis that the USPTO can operate fair, efficient, prompt, and economical post-issuance patent validity review procedures is doubly tied to the law on patent validity. Optimal validity law reduces demand for such review by getting the initial patent examination accomplished in an accurate manner. When this objective is accomplished, it assures—for those more limited situations where the post-issuance review would be sought—the review process can similarly proceed with optimal efficiency and accuracy.

The above premises are the driving motivation for launching the discussion of reforms proposed in Title II. The proposed reforms look to remove, from both patent examination and post-issuance reviews, *any issue outside the four patentability pillars* (*i.e.*, eligible subject matter, nonobvious differences over publicly available technology, sufficient disclosure, and claim definiteness).

Title II targets the repeal of three current grounds for finding a patent invalid that lie outside the four pillars. For each such ground, new unenforceability defenses are proposed that then address fully any patent policy concerns underlying the repealed grounds for invalidity. In each case, the corresponding unenforceability defense applies in those circumstances where the underlying policy considerations would not support the enforcement of the patent.

On the surface, this substitution might appear as though it were a mere zero-sum game, a transition with no resulting improvement in efficiency or economy of the overall patent system. An examination of the specific changes in the patent law proposed in Title II reveals, however, that precisely the opposite is the case.

The proposed constraint on the law on patent validity drives not only accuracy and efficiency in USPTO proceedings as well as civil actions to enforce patents. As discussed below, the efficiency advantage of unenforceability defense vs. invalidity ground is that these new unenforceability defenses should arise only rarely in any civil action to enforce a patent.

Abrogation of Obviousness-Type Double Patenting Law

The amendment in Section 22 epitomizes the efficiency and economy of transforming a patent invalidity rule into a statutory provision rendering patent rights unenforceable. Section 22 addresses the judicially-imposed, non-statutory law on obviousness-type double patenting. The law on obviousness-type double patenting effectively requires that every patent filing be examined to determine if any subject matter being claimed is *patentably distinct* from any claimed invention of any other issued U.S. patent—or any other pending U.S. patent application that might issue as a U.S. patent. When such “patentably indistinct” claims are found in a patent or another pending application for patent, the claims under examination must be rejected for either “double patenting” or, if no other patent has yet issued, “provisional double patenting.”

Rejections of this type can be overcome by making successful arguments for “patentable distinctness” or by the filing of a so-called “terminal disclaimer” that promises the patentably indistinct claims will remain forever commonly owned and patent rights cannot be enforced beyond the period where patent rights are justified. As these rejections have become more frequent in recent years, so have the laborious efforts of patent practitioners to respond to patent examiners making such rejections.

For various reasons, vast amounts of patent examination time can be expended making obviousness-type double patenting rejections and responding to patent applicants seeking to avoid them. Because of the manner in which patent applications are pursued by patent applicants today, it is somewhat routine for patent examiners in connection with the most complicated patent filings to spend pages and pages in communications with patent applicants addressing these obviousness-type double patenting issues. Because the obviousness-type double patenting law requires a claim-by-claim comparison, any claim of an issued patent can constitute obviousness-type double patenting with respect to any claim under examination.

As time has gone on, the judge-made law has grown more complicated and expansive. The doctrine, before the 1980’s, only applied to the issuance of a second patent naming the same inventor who had already obtained a first patent with similar claims, but—[in part at the urging of Congress](#)—today applies to patents by different inventors, [sometimes different patent owners](#), and sometimes to invalidate [the first-issued patent rather than the second-to-issue one](#). It can today apply to patents with [claims that must differ in a non-obviousness manner to be valid](#).

The courts have imposed this law to prevent [an unjustified timewise extension of the exclusionary rights](#) under a patent and to prevent [harassment, particularly by multiple patent owners](#), through suit on a second patent following suit on an earlier patent containing indistinct claims. However, *the circumstances under which either of these potential abuses of the patent system might arise is exceedingly rare*. Indeed, it is the rareness of the potential for actual, real-world harm that suggests a doctrine of patent invalidity—and the resources it consumes during

examination for patentability—is far less desirable than a statutory rule of unenforceability that would only come into play if the potential for harm was present given the actual enforcement of rights being sought.

For the reasons, Section 22 proposes to overrule the invalidity law on obviousness-type double patenting. Upon enactment, the USPTO would no longer need to address obviousness-type double patenting as a patentability issue. Similarly, obviousness-type double patenting would no longer be an issue in patent reissues, ex parte reexamination, or post-grant review.

In its place, Section 22 proposes that two new grounds for finding a patent unenforceable are to be imposed. The first of the two grounds of unenforceability would be in the extremely rare circumstance that an actual “double patent enforcement” was being attempted. Double patent enforcement is defined as a second enforcement action brought after a first enforcement action in which a different patent was being enforced containing patentably indistinct claims.

The second of the two new statutory grounds of unenforceability would be if enforcement under the exclusionary rights under the two patents with patentably indistinct claims exceeded a total of 20 years—which would represent a timewise extension of the right to exclude beyond the period that the current statutory patent term provides might be possible for a single patent. This 20-year period for exclusionary rights is justified because this is the longest possible term for exclusionary rights permitted for all patents under the current patent statute, specifically 35 U.S.C. §154(b)(2). Thus, these two unenforceability-limiting provisions entirely address the judicial concern over unjustified timewise extension of exclusionary rights and any potential harassment of accused infringers through assertion of patentably indistinct claims.

Elimination of Loss of Right to Patent Based Upon Non-Public Use or Sale Activities

A second provision of Title II serves a quite similar purpose. Under the Supreme Court’s [Helsinn](#) decision, the AIA provision in 35 U.S.C. §102(a)(1), explicitly limiting prior art to be used for novelty and non-obviousness purposes to subject matter found to be [available to the public](#), was held not to apply for non-public use or sale activities, *i.e.*, inventions placed “[in public use or on sale](#).” Under this decision such non-public activities could result in novelty-defeating prior art.

While the patent statute was carefully and explicitly drafted by the House and Senate sponsors of the AIA to reach the contrary result—at least according to these drafters of the statute ([Senator Leahy](#): “[One of the implications of the point we are making is that subsection 102\(a\) was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States that result in a product or service that is then made public may be deemed patent-defeating prior art. That will no longer be the case. In effect, the new paragraph 102\(a\)\(1\) imposes an overarching requirement for availability to the public, that is a public disclosure, which will limit paragraph 102\(a\)\(1\) prior art to subject matter meeting the public accessibility standard that is well-settled in current law, especially case law of the Federal Circuit.](#)” [Senator Kyl](#): “[The main benefit of the AIA public availability standard of prior art is that it is relatively inexpensive to establish the existence of events that make an invention available to the public.](#)” [2011 AIA House Report](#): “[T]he phrase “available to the

[public” is added to clarify the broad scope of relevant prior art, as well as to emphasize the fact that it must be publicly accessible.”](#))—the Court nonetheless accepted arguments that the patent statute should not permit patents to be enforced in circumstances where the inventor had placed in invention in public use or on sale long before seeking a patent on the invention, notwithstanding arguments that barring patents in such circumstances would defeat any continuing incentive to disclose such inventions to the public by requiring the inventor to maintain secrecy in order to protect from use by competitors.

Section 23 of Title II would remedy this unintended construction of the current patent statute by erasing the words “in public use or on sale” from the definition of prior art for all claimed inventions. The change to the patent statute would limit all prior art to subject matter available to the public, assuring that the determinations of prior art would be as objective and transparent as possible. This transparency is not only important for inventors, but also for members of the public seeking to understand if patent rights are valid or not. A transparent and objective standard for prior art facilitates greater certainty in the assessments of the validity of competitors patent rights because only sources of public information have a bearing on whether the standards for patentability have been satisfied.

The concerns of the Supreme Court in *Helsinn* would be addressed under Section 23 through a new unenforceability defense. It would apply in those—again extremely rare—circumstances where an inventor has placed an invention in secret use or engaged in secret sale activities for an extended period before seeking a patent. The new unenforceability provision set out in Section 23 would render a patent unenforceable unless the patent owner disclaimed any patent term beyond 22 years after a claimed invention was first placed in public use or on sale. This 22-year period comports with the provisions under the current law that permit the start of the 20-year patent term at the end of both a 1-year inventor “grace period” and a subsequent 1-year provisional patent application filing. This requirement for a disclaimer of term, however, would only apply to inventors who had engaged in extended use or sale activities in the United States, *i.e.*, those extending more than six years before applying for a patent.

While the amendments under Section 23 fully address the policy concerns with respect to longstanding pre-filing use or sale activities, they nonetheless maintain a reasonable and continuing incentive for inventors undertaking such use or sale activities in total secrecy to disclose their inventions using the patent system. Situations in which this unenforceability might be pleaded are unlikely in the extreme to arise with any frequency. Thus, once again, the policy rationale for the transformation of this validity requirement to an enforceability limitation is compelling, all the more so because it restores the AIA to the transparency vision its drafters had laid out for the statute.

Elimination of Incorrect Inventorship as a Ground for Invalidating Patent Claims

Section 24 of Title II provides a final ground of patent invalidity under the current patent law being transformed to a new, codified unenforceability statute. It relates to invalidity grounded on “misjoinder” or “non-joinder” of a joint inventor for a claimed invention. Under Section 24, both types of “incorrect inventorship” would never constitute a ground on which a patent claim could be found invalid.

In place of this ground for invalidity, Section 24 provides that no patent claim can be enforceable if both (1) the patent’s inventorship is incorrect and (2) the corrected inventorship would result in a change of ownership of the patent. Hence, patents would, as they should, be rendered entirely unenforceable if the incorrect inventorship is consequential, *i.e.*, would change the person or persons who own the patent and, thus, who would be required by law to bring the action to enforce the patent. Thus, this provision of law would have effect only in those situations where the joint inventors had each agreed to assign the patented invention to an entity such as an employer, such that the failure to name one of the assignees on the patent, or the naming of an additional assignee not ultimately qualifying as a joint inventor, would be of no consequence to the rightful ownership of the patent by the assignee.

This change in the law of patent validity has an increased importance given the growing complexity of correctly naming of the inventor of a patent filing. This complexity arises for at least two reasons. More inventions today are the product of teams of joint contributors, often working in different disciplines. It has become increasingly difficult not to overlook or over-include individuals as named joint inventors.

In addition, prior to amendments made to the patent statute under the [Patent Law Amendments Act of 1984](#), inventorship determination was inherently simpler. Prior to 1984, each claim that appeared in a patent was required to be the work of the identical group of individuals—either the same sole inventor or an identical set of joint inventors. In 1984, this restriction on inventorship of a patent was eliminated by the PLAA. No two claims of a patent today need have the same inventor. Thus, keeping track of the correct inventorship on a patent can require tracking the inventorship of each claim, as claims are added, amended, or canceled altogether, during examination. Under Section 24, a mistake in tracking inventorship, if not consequential to ownership, would simply have no impact on whether the patent could be successfully enforced.

Eliciting More Useful Disclosures from Patent Applicants to Better Assist Patent Examiners

One final provision in Title II relates to information disclosures by patent applicants made during the process of examining patent applications, specifically disclosures of information as it relates to the most relevant “prior art” needed to assess whether claimed inventions in the patent application are novel and non-obvious. Under current practice, patent applicants will sometimes undertake such information disclosures by submitting dozens to hundreds individual items of “prior art,” typically in the form of patents and printed publications. When such an item of prior art is submitted, the patent examiner is required to review the item of prior art to consider its possibly relevance.

In most situations, dozens—much less hundreds—of submitted items of prior art are not actually important to the questions of novelty and non-obviousness that the patent examiner is charged with determining. In most cases, what is consequential to patentability are only few such items of prior art, often a half-dozen or fewer.

The quality of patent examination cannot, therefore, be further enhanced by encouraging patent applicants to provide patent examination *more information*—particularly when there are patent

applicants today who are already providing vastly too much information of marginal, if any, actual relevance. Improving the completeness and accuracy of the patent examiner's work would, however, be advanced if patent applicants were obliged to provide *better information*. Most specifically, by not just submitting items of prior art by the bundle, but by concisely describing the relevance of each such item being submitted.

The most formidable barrier cited by patent applicants to citing fewer items of prior art (e.g., "prior art" submissions confined to the art regarded as most relevant) and offering clarity as to the significance or relevance of what is being submitted is the Catch-22 of "inequitable conduct" allegations. These are allegations that the "duty of candor and good faith" imposed on patent applicants (and the practitioners who represent them) has been breached by selective disclosures of some but not every item of potentially relevant prior art—or by identifying in concise terms the relevance of an item of prior art that can be attacked in hindsight as a potential misrepresentation of its full significance.

For decades, patent litigation has been awash with contentions of concealment and misrepresentations by patent applicants, and the patent practitioners who represent them, that are asserted to constitute prosecution misconduct. The inevitable reaction has been that today far too much information is often disclosed to patent examiners, with none of what is disclosed ever being characterized as to its possible relevance. This reactive behavior is understandable.

Concealments or misrepresentations, if found material and inferred to be intentional, result in every claim of the patent involved being held permanently unenforceable under the "inequitable conduct" defense. Regrettably, this status quo of "disclose everything and characterize nothing" now represents the only prudent manner in which the vast majority of patent practitioners apparently believe that the "duty of candor and good faith" to the USPTO must be implemented in order to protect essential interests of their clients in the enforceability of patent rights.

The historic unpredictability of holdings of "inequitable conduct" in the courts, including the Federal Circuit, has only compounded what must appear to most objective observers as a true parody of the duty candor and good faith that now characterizes dealings by patent applicants with the USPTO. A duty that was meant to assure that patent examination could focus on the most relevant and consequential prior art instead now causes patent examiners to waste countless hours wading through sometimes massive "information disclosures" that are of little to no value—and detract from time that might otherwise be directed to examination for satisfaction of the four pillars of patentability.

Section 25 offers amendments that would put an end to decades of standoff between the concerns by applicants and the needs of examiners with respect to information disclosures providing items of prior art. Most notably, the Section 25 amendments would remove any concern on the part of patent applicants, and the patent practitioners representing them, that the law on patent unenforceability, based on inequitable conduct or any other form of prosecution misconduct, will apply to render unenforceable any *valid* patent claim. Indeed, by assisting the patent examiner in efforts to assure that valid claims are secured, the patent claims become *unenforceability-proof* as against any claim of patent applicant or patent practitioner prosecution misconduct.

In addition, Section 25 would amend the requirements for information disclosures as they relate to items of prior art that would require a concise description of the relevance of each item of prior art provided for consideration by the patent examiner. To discourage submissions of largely irrelevant items of prior art, the Director would be authorized to establish a review fee that would be assessed per item of prior art. With the various Section 25 amendments working in tandem, the quantity of marginally useful information provided to patent examiners might be as dramatically reduced as the quality of the information provided would be dramatically increased.

In sum, the amendments in Title II, taken in the aggregate, would change in very profound respects the work undertaken by patent examiners upon picking up an application for examination. The information disclosure from the patent application as it relates to the most relevant and consequential prior art would be much more valuable in assuring that a full and accurate examination could be completed in an efficient manner. The examination effort that today is devoted to reviewing largely meaningless information disclosures—or issues such as obviousness-type double patenting—would instead be directed to the four patentability pillars of eligibility, non-obviousness, description, and definiteness.

Taken together, Title I and II offer discussion proposals that are still missing a key component in the quest to assure patent examination is optimized to increase the prospect that it will complete and accurate. To achieve that objective, the issue of patent proliferation—the potential for thickening—still must be addressed.

III. STREAMLINED PATENT APPLICATION FILING

The final frontier in this trilogy of initiatives to simplify and streamline lies in reforms to the patent application process. To a remarkable extent, during the past 50 years, the process of securing patents has shifted from a simple paradigm of a single patent application filing producing a single patent examination, after which a single patent issued, to a system where that initial patent filing simply takes on the role of the “trunk” in a “patent family tree” of multiple patents forming its branches and limbs. Indeed, today, it is commonplace to see a single initial patent filing sprouting a tree containing multiple patents. These patent family trees are sometimes found in a forest of such trees pejoratively known as “patent thickets.”

These patent families are not necessarily to result of any scheming by patent applicants, but can be a consequence of incentives provided to patent examiners to “divide” the examination of a full set of claims in a patent application into examination-sized pieces. The patent statute permits patent examiners to undertake this type of limited examination of the claims of a patent examination by allowing for “requirements for restriction” that oblige the patent applicant to “elect” a limited number of claims for examination, so that the remaining claims can be “withdrawn from any further consideration.” Typically, this conduct by the patent examiner forces the filing of new patent applications directed to subject matter withdrawn from consideration, which are known as “divisional applications.” As a result, a single patent filing can produce—just through this restriction practice—countless patents. In my own experience, I have had patent examiners restrict a single initial patent filing such that a family of dozens of individual patents eventually resulted from the required filing such “divisional applications.”

Such divisional applications are only one type of branch on a patent family tree. U.S. patent law permits “continuation” patent applications as well. Nothing in the patent statute limits the number of “continuation applications” that can be filed based on an initial patent filing. Just before a first patent issues on an initial patent application filing, a “continuation application”—which can be simply a clone of the original patent filing, but requiring some tweaking to the claims—is typically filed so that it might result in a second patent issuing on the tweaked claims. This cloning process can continue throughout a 20-year patent term, with serial continuation applications filed and more tweaked claims granted in separate patents.

Because the cloning process producing these continuation applications can proceed over decades, examining continuing applications can become difficult—and commonly involve multiple examiners—frustrating the ability to conclude the patent examination process with optimal efficiency. The result for members of the public is no less satisfying. Even if one, two, or five patents in the patent family have already issued, yet more “cloned” patents can issue with still different claims that must be taken into account.

And, of course, there are few incentives for inventors *to limit the number of claims* of any patent in the family. More claims make patent examination more complex—and create more potential issues in any post-issuance review proceeding in the USPTO. Critics of the operation of the current patent system not only express concern about thickets coming from the number of patents that might issue, but thicketing from the aggregate number of issued patent claims.

Indeed, not surprisingly, more avenues to secure more patents containing ever more claims has simply encouraged critics of this type of patenting process to advocate for more and better means for challenging them. The result of such a war of addition is a patent system growing increasingly complex and decreasingly efficient.

A rational and objective observer is likely to conclude that the patent system worked far more optimally when continuation and divisional applications were far fewer in number. Indeed, the most rational among them might well conclude that the only sensible manner in which to operate a modern patent examination system, with particularly one now dominated with so many fast-moving technologies, is to legislate what I have often referred to as the *file once-examine-once-issue-once principle*.

This principle is notable for its utter simplicity: once the filing of a patent application has been undertaken, that patent application itself either issues as a patent with claims found to be patentable or, if it is found to contain no patentable claims, no patent ever issues on the application. Examiners examine all the claims presented for review in that one application—they do not “restrict” out claims that for consideration in a separate, divisional applications filing. Patent applicants do not hold back additional claims to seek another day in another patent through a continuation application. Both patent examiner and patent applicant address the full scope of the protection being sought at one time in this initial—and only—patent application filing.

When coupled with the proposals from Title II, this utterly simple, *one-and-done principle* for patent examination offers the potential truly optimizing the completeness and efficiency of the

process of securing patents. The potential payoff for the patent system in terms of patents of reliable validity could be remarkable.

Section 32 of Title III sets the stage for the one-and-done principle of patent examination by restating in a simplified form the requirements for filing the “nonprovisional patent application,” which becomes the only type of patent application permitted under the Title III amendments—no divisional patent applications and no continuation patent applications. The application requires only a simple statement of authorization for the patent filing by the inventor, in addition to the substantive aspects of the application relating to the patent application specification that includes the required claims.

Section 33 then repeals those sections of the patent statute that authorize divisional and other forms of continuing applications for patent. This section also requires examination of every claim provided in the patent application.

In addition, it contains a further provision allowing—but not requiring—patent examiners to object to any independent claim not directed to a single general inventive concept. These objections can require that the patent applicant limit the scope of any one such independent claim in the application to one such single general inventive concept, but neither require *nor permit* separate patent filings on order to secure patents on such subject matter directed to different general inventive concepts.

A final aspect of Section 33 would impose excess claims fees if the number of independent claims in an application or patent is in excess of three, as well as excess claims fees for each 10 dependent claims in excess of 30. These fees are of a magnitude to moderate the number of issued claims of a patent, while not imposing any categorical limitation on the number of claims. The fees are, nonetheless, geared to be proportionate to the level of effort required for examination as the number of claims is multiplied.

The provision of Section 33 both allowing restriction of the scope of any single independent claims to a single general inventive concept, and imposing excess fees for excessive numbers of such claims, serve a further purpose. This provision of Section 33 can be used by the USPTO to assure that patent examiners receive appropriate credit for their work examining patent applications that present claims directed to multiple general inventive concepts.

Indeed, through counting the number of independent claims in an allowed patent application, the USPTO can apportion examination credit in the same manner in which the separate examination of a divisional patent application filing produces such examiner credit for work done. Thus, the proposed change could serve the interests of applicants and examiners equally well.

While Title III would greatly simplify aspects of patent examination—and fully address key aspects of patent thickets—it would not leave patent applicants without recourse if the initial patent examination left the patent owner with unclaimed or mal-claimed subject matter. Title I widely opens the patent reissue statute to address the situation where inventors wish to rethink the scope of claims they have secured following the issuance of a patent.

America Invents Act Technical Corrections

The last section of Title III, Section 34, contains technical amendments to the America Invents Act. These changes do not affect any issues relating either to examination or post-issuance review. They are to have effect as though enacted under the relevant sections of the AIA relating to the inventor's oath or declaration, first inventor to file, and best mode.

CONCLUSIONS

Although not explicitly addressed in any detail above, the foregoing discussion proposals—while they streamline and simplify key aspects of the operation of the U.S. patent system—leave undiminished the ability of inventors to secure full and fair protection for the inventions they seek to patent. They were designed to recognize and respect the role patent rights play as an incentive to invest in the develop and commercialization of new technology.

In an equal and opposite manner, these changes seek to protect fully the interests of those urging patent rights be confined to meritorious inventions and the processes for securing such rights operate with rigor and accuracy. The proposed changes to the patent laws were, in fact, grounded on a belief that the integrity of the patent system and the respect for issued patents are both sorely in need of improvement, which cannot be accomplished without making fundamental changes to the patent examination process and companion changes to the PTAB's role in post-issuance patent validity determinations.

For these reasons, I believe that these discussion proposals may merit a serious vetting as your subcommittees seek to discern the impact of the PTAB on innovation and small businesses, together with the fairness and effectiveness of PTAB operations. The subcommittees together might consider a path taken 30 years ago, when they held a [joint hearing on the Patent System Harmonization Act of 1992 \(H.R. 2798, 102nd Congress and S. 2605, 102nd Congress\)](#), launching a dialogue that eventually produced the AIA. As can be seen from the above, today's patent system might benefit from the same type of in-depth congressional attention on core features of its operation that led to the AIA's enactment.

Respectfully submitted,



Attachment: Discussion Draft

Patent Thicket Reduction, Validity Determination Simplification, and Post-Issuance Review Streamlining Act of 2022 – Discussion Draft

117th CONGRESS
2nd SESSION

S. XXXX - H.R. XXXX

IN THE SENATE - HOUSE OF REPRESENTATIVES

_____, introduced the following bill, which was referred to the Committee on the Judiciary.

A BILL

To amend title 35, United States code, to improve fairness and effectiveness of proceedings before the Patent Trial and Appeal Board and other post-issuance patent review procedures.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE; TABLE OF CONTENTS, LEGISLATIVE PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the “Patent Thicket Reduction, Validity Determination Simplification, and Post-Issuance Review Streamlining Act of 2022.”

(b) TABLE OF CONTENTS.—The titles under this Act are as follows:
TITLE I – PATENT POST-ISSUANCE REVIEW SIMPLIFICATION ACT
TITLE II – PATENT VALIDITY DETERMINATIONS SIMPLIFICATION ACT
TITLE III – PATENT EXAMINATION SIMPLIFICATION ACT

(c) LEGISLATIVE PURPOSE.—This Act, through its three separate titles, brings together in a single bill changes to the patent law that assure the fairness and effectiveness of the Patent Trial and Appeal Board in addressing issues of the validity of issued patents. Under Title I, the various post-issuance proceedings in the USPTO in which issues of the validity of an issued patent can be decided are rationalized to provide a single proceeding for challenging patents that is available to all members of the public through post-grant review, a single proceeding open to only patent owners through patent reissue, a single proceeding open only to the USPTO Director through ex parte reexamination, and a single proceeding open only to accused infringers through the filing of invalidity complaints before the PTAB. To assure that, in each of these review proceedings, all issues of patent validity can be fully and fairly addressed, a second title of this Act simplifies the law on patent validity by eliminating unneeded grounds for patent invalidity in favor of new defenses to the enforceability of patents, thereby streamlining both the initial examination of patent applications and the validity determinations for all patents once issued. The final title of this Act eliminates the possibility for creating thickets of patents from an initial patent filing by requiring all issues of patentability for all claims presented for examination be addressed in an inventor’s initial patent application filing, eliminating the need for, and the availability of, all forms of continuing patent applications that form the basis for such thickets.

TITLE I – PATENT POST-ISSUANCE REVIEW SIMPLIFICATION ACT

SEC. 11. SHORT TITLE; TABLE OF CONTENTS, REFERENCES, LEGISLATIVE PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the “Patent Post-Issuance Review Simplification Act.”

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 11. Short Title, Table of Contents, References; Legislative Purpose.

Sec. 12. Simplifying Reissuance of Issued Patents.

Sec. 13. Streamlining Post-Grant Review of Issued Patents.

Sec. 14. Streamlining Ex Parte Reexamination of Issued Patents.

Sec. 15. Streamlining Invalidity Complaints by Accused Infringers.

(c) REFERENCES.—Unless otherwise indicated, a reference herein to an amendment made under this Act, or a section or chapter of United States Code otherwise, is a reference to title 35, United States Code.

(d) LEGISLATIVE PURPOSE.—The intent and purpose of this Act is to simplify, rationalize, and streamline the procedures for the post-issuance review of issued patents in the United States Patent and Trademark Office. This Act provides (a) an expanded procedure for ex parte reexamination of any issued patent that can be invoked only by the USPTO Director acting *sua sponte*, (b) a single and simplified procedure for amending patents and otherwise securing their reexamination through an expanded patent reissue statute available only to a patent owner, (c) a simplified procedure for contesting the validity of any newly issued patent through streamlining the existing post-grant review procedure that is available to any member of the public seeking to challenge the validity of an issued patent, and (d) an expanded and streamlined procedure for addressing patent invalidity issues before the PTAB by accused patent infringers through the filing of invalidity complaints that supersede the inter partes review procedure.

SEC. 12. SIMPLIFYING REISSUANCE OF ISSUED PATENTS

(a) STREAMLINED REISSUE STATUTE.—Strike section 251 and insert:

“§251. Reissue of patent.

“A patent owner may obtain a further examination of the initially issued or a previously reissued patent upon filing an application for the reissue of such patent together with the fee required by law. If an application for reissue is filed, the Director shall examine the application for reissue in the manner set forth in section 131. If it appears that the patent owner is entitled to the reissue, upon surrender of the patent being reissued, and in accordance with any amendment of the patent being reissued, a reissued patent shall be granted for the unexpired part of the term of the initially issued patent. No new matter shall be introduced into an application for reissue. No reissued patent may be construed to have enlarged the scope of the claims of the initially issued patent unless the application for reissue was filed not more than 6 years from the date on

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which the application for the initially issued patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c), from the date on which the earliest such application was filed.”

(b) EFFECTIVE DATE AND EFFECT.—

(1) EFFECTIVE DATE.—The amendments under this Section 12 shall take effect upon enactment and shall apply to patents issued before, on, or after the date of enactment.

(2) SAVINGS CLAUSE.—Notwithstanding the amendment under this Section 12, for any patent issued before the date of enactment, if an application for reissue of the patent is filed within 2 years from issue date of the initially issued patent, such reissue application shall not be subject to the 6-year period precluding claims of a patent reissued on the application from being construed to have an enlarged scope.

SEC.13 . STREAMLINING POST-GRANT REVIEW OF ISSUED PATENTS.

(a) POST-GRANT REVIEWS.—

(1) INSTITUTION OF POST-GRANT REVIEWS.—Strike section 321 and insert:

“§321. Post-grant review.

“(a) IN GENERAL.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute a post-grant review of the patent. A fee, established by the Director in an amount not in excess of the fee required for the issuance of a patent under section 151, must accompany the petition.

“(b) SCOPE.— A petitioner in a post-grant review may request to cancel as invalid 1 or more claims of a patent on any ground of invalidity that an accused infringer would be entitled to raise under this title as a defense to infringement.

“(c) FILING DEADLINE.—A petition for a post-grant review of an initially issued or a reissue thereof may only be filed not later than the date that is 1 year after the date of the grant of the patent or its reissue.”

(2) SUMMARY DISPOSITION; CONSOLIDATION.—Strike sections 324 and 325 and insert:

“§324. Institution of post-grant review.

“(a) DECISION TO INSTITUTE.—Unless a preliminary response under section 323 establishes to the satisfaction of the Director that a petition under section 321 has failed to provide a substantial factual and legal basis upon which at least 1 challenged claim of the patent could be found to be invalid, the Director shall grant the petition to institute.

“(b) TIMING OF INSTITUTION.—The decision under subsection (a) shall not be made earlier than 1 year after the date the patent is issued or reissued (as the case may be) and not later than 3 months after the date specified in section 323 for the filing of a preliminary response to the petition.

“(c) NOTICE.—The Director shall notify the petitioner and patent owner, in writing, of the Director’s determination under subsection (a), and shall make such notice available to the public as soon as is practicable. If the requirement for institution under subsection (a) has been met, such notice shall include either (1) the date on which the proceeding shall be instituted or (2) the date parties must appear at a pre-institution conference under subsection (d). If the parties are

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required to appear at a pre-institution conference under subsection (d), the notice shall further include a listing of the issues that the parties will be required to address at the conference and any pre-conference written submissions with respect to such issues that the parties may elect to file.

“(d) PRE-INSTITUTION CONFERENCE.—

“(1) ISSUES FOR DETERMINATION.—The Director may require that a pre-institution conference under this section address one or more of the following issues—

“(A) SUMMARY DISMISSAL.—If the petition, in light of any preliminary response by the patent owner, sets forth one or more grounds of alleged invalidity for one or more claims of the patent that fail to establish a substantial factual and legal basis upon such claims could be found invalid, the Director may provide notice to the petitioner under subsection (c) ordering the petitioner to show cause why the final written decision under section 328(a) should not hold such claims not invalid on such grounds without further substantive consideration during the proceeding.

“(2) REPRESENTATIVE GROUNDS OF ALLEGED INVALIDITY.—If the petition contains a multiplicity of grounds of alleged invalidity with respect to any single requirement for patentability under section 101, 102, or 112, the Director may order that the petitioner identify a limited number of representative grounds for invalidity under each such section that will be the basis for the final written decision thereon.

“(3) REPRESENTATIVE CLAIMS.—If the patent containing more than 20 claims, or if any ground of alleged invalidity relates to more than 20 claims, that Director may order that the patent owner identify a limited number of representative claims for each ground of invalidity that will be the basis for the final written decision on such ground.

“(2) CONFERENCE PROCEEDINGS.—The pre-institution conference shall review any submissions of the parties and hear such additional arguments as the Director shall consider relevant. Following such hearing, the Director shall order the institution of the proceeding in such a manner as to assure a fair, efficient, and complete adjudication of the invalidity issues set forth in the petition.

“(3) INSTITUTION ORDER.—The institution order as required under the preceding paragraph shall set forth the grounds of alleged invalidity that the Director has determined must be summarily dismissed, each representative ground of alleged invalidity to be addressed in the proceeding on its merits, and the corresponding representative claims being considered with respect to each such ground.

“(e) NO APPEAL.—The determination by the Director to grant or deny a petition under subsection (a) or to summarily dismiss grounds of alleged invalidity or to order limitation of the review to representative grounds with respect to representative claims under subsection (d) shall be final and nonappealable.”

“§325. Relation to other proceedings or actions.

“(a) SINGLE POST-GRANT REVIEW PROCEEDING.—No original patent, and no reissued patent, may be subject to more than one proceeding instituted under this section 324, irrespective of the number of petitions for post-grant review that are filed under section 321(a) with respect to the patent or the reissued patent, as the case may be. For each petition under section 321(a) that is granted under section 324(a) with respect to an original patent or a reissue patent, the respective petitioners shall be parties to the post-grant review instituted with respect to the patent.

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“(b) LIMITATION ON REVIEW FOR REISSUED PATENTS.— No claimed invention of a reissue patent that is identical in scope to the claim of the original patent shall be subject to challenge in a post-grant review proceeding.

“(c) NO PETITIONER ESTOPPEL.—Raising a validity issue in a petition under this chapter does not preclude the petitioner from raising the same or any related issue in a proceeding instituted under chapter 31, irrespective of whether the petition is granted under section 324(a) or a final written decision is issued under section 328(a).

“(d) CERTAIN PETITIONS TO BE DENIED.—No petition filed under section 321(a) with respect to a patent may be granted if the petitioner has, prior to institution under section 323(b), has become a party to a proceeding instituted under chapter 31 with respect to the patent.”

(3) LIMITATION ON RIGHT TO APPEAL.—Strike section 329 and insert:

“§329. Appeal.

“A patent owner dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 328(a) may appeal the decision pursuant to sections 141 through 144. Any party to the post-grant review shall have the right to be a party to an appeal by the patent owner.

(b) EFFECTIVE DATE, EFFECT, AND TRANSITION PROVISION.—

(1) EFFECTIVE DATE.—The amendments under this Section 13 shall take effect 1 year after the date of enactment.

(2) APPLICABILITY TO FIRST-TO-INVENT PATENTS.—Notwithstanding section 6(f)(2)(A) of the Leahy-Smith America Invents Act limiting the applicability of chapter 32 to patents described in section 3(n)(1) of the Leahy-Smith American Invents Act, chapter 32, as amended by this Act, shall be applicable to any patent issued or reissued 1 year after the date of enactment.

(3) EXISTING PETITIONS.—The amendments under this Section 13 shall have not have effect with respect to any petition for post-grant review filed before 1 year after the date of enactment.

(4) LIMITATION.—The Director may impose a limit on the number of post-grant reviews that may be instituted under chapter 32 during each of the first 10 1-year periods in which the amendments made under this Section 3 are in effect.

SEC. 14. STREAMLINING EX PARTE REEXAMINATION OF ISSUED PATENTS.

(a) STREAMLINED EX PARTE REEXAMINATION.—

(1) LIMITATION TO DIRECTOR-ORDERED REEXAMINATION.—Strike sections 302-305 and insert:

“§302. Director determination on questions of patentability.

“With respect to one or more claims of a patent, the Director may determine that one or more substantial new questions of patentability exist. If such a determination is based on prior art, the determination shall be limited to consideration of disclosures from patents and printed publications, including any previously cited by or to the Office or considered by the Office.

“§303. Notice of Director determination.

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“A notice of the Director’s determination section 302 will be placed in the official file of the patent, and a copy promptly will be provided to the owner of record of the patent.

“§304. Reexamination order by Director.

“The notice under section 303 shall include an order for reexamination of the patent for resolution of each question of patentability. The patent owner may file, within two months from the date of the order a request for amendment to the patent, including the claims, for consideration in the reexamination.

“§305. Conduct of reexamination proceedings.

“Reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133. No proposed amended or new claim enlarging the scope of the claims of the patent will be permitted. All reexamination proceedings under this section, including any appeal to the Patent Trial and Appeal Board, will be conducted with special dispatch within the Office.”

(2) CONFORMING AMENDMENTS.—The items relating to sections 302 and 303 in the table of sections for chapter 30 of title 35, United States Code, is amended to read as follows:

“302. Director determination on questions of patentability.

“303. Notice of Director determination.”

(b) EFFECTIVE DATE, EFFECT, AND TRANSITION PROVISION.—

(1) EFFECTIVE DATE.—The amendments under this Section 14 shall take effect upon enactment.

(2) APPLICABILITY.—Notwithstanding paragraph (1), the amendments under this Section 14 shall not have effect with respect to any request, filed before 1 year after the date of enactment, under the provisions of section 302 that were in effect on the day before the enactment.

SEC. 15. STREAMLINING INVALIDITY COMPLAINTS BY ACCUSED INFRINGERS.

(b) STREAMLINED HANDLING OF PATENT INVALIDITY ALLEGATIONS.—

“CHAPTER 31 – INVALIDITY COMPLAINTS

“Sec.

“311. Invalidity complaints.

“312. Institution of invalidity proceedings.

“313. Effect on civil actions.

“314. Appeal.

“§311. Invalidity complaints.

“(a) IN GENERAL.—A party to a civil action under section 281 who is accused of infringing a patent, or a person who would have standing to plead non-infringement of a patent in a declaratory judgment action brought under section 2201 of title 28, United States Code, over

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which the court would have subject matter jurisdiction, may file an invalidity complaint with the Director seeking a final written decision of the Patent Trial and Appeal Board under section 328(a) that one or more claims of the patent are invalid. The invalidity complaint shall set forth the jurisdictional basis for filing the invalidity complaint and the specific grounds on which each challenged claim is asserted to be invalid and the evidence in support thereof, together with the fee and such other information as set forth in section 322 for a petition for post-grant review.

“(b) TIMING WITH RESPECT TO CIVIL ACTION.—An invalidity complaint under subsection (a) for which the jurisdiction is based on a civil action under section 281 may be filed with the Director at any time during the pendency of the civil action.

“(c) STAY OF ENTRY OF JUDGMENT.—A court in a civil action under section 281, in which one or more claims of a patent are asserted, shall stay the entry of a final judgment with respect to the infringement of the patent, pending the final written decision under section 328(a) on an invalidity complaint, unless the court finds that—

“(1) the invalidity complaint fails to raise a substantial question of validity for each asserted claim of the patent or

“(2) the interests of justice would not be served by the stay.”

“§312. Institution of invalidity proceeding.

“(a) IN GENERAL.— Unless the Director determines that the requirements under section 311(a) have not been met with respect to an invalidity complaint, the Director shall, within 3 months from the date of the filing of the complaint, institute an invalidity proceeding to adjudicate each invalidity issue raised in the complaint by providing the parties to the proceeding a notice as described in section 324(c) and, as necessary, conducting any pre-institution conference and issuing any pre-institution order as described in section 324(d).

“(b) PROCEDURES.—If an invalidity proceeding is instituted under subsection (a), the proceeding shall be conducted in accordance the provisions of sections 326 and 329 and conclude with a final written decision in accordance with the provisions of section 328 (absent a settlement in accordance with the provisions of section 327), except that no amendments to the claims of the patent shall be permitted during an invalidity proceeding and the burden of establishing invalidity shall be on the complainant in the manner set forth under section 282(a). Except as provided under subsection (a), the provisions of sections 323, 324, and 329 shall be inapplicable to an invalidity proceeding.”

“§313. Effect on civil actions.

“If an invalidity complaint with respect to a patent is filed by a party to a civil action within six months from the date of service of the complaint in the action on the party, such filing shall preclude the court in such action from considering any defenses to infringement of the patent in such action pleaded by a party to the action, except for defenses specified under section 282(b)(1).”

“§314. Appeal.

“A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 328(a) with respect to an invalidity complaint may appeal the decision pursuant to sections 141 through 144. Any party to the invalidity proceeding instituted on the invalidity complaint shall have the right to be a party to such an appeal.

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(b) EFFECTIVE DATE, EFFECT, AND TRANSITION PROVISION.—

(1) EFFECTIVE DATE.—The amendments under this Section 15 shall take effect upon enactment.

(2) APPLICABILITY.—Notwithstanding paragraph (1)—

(A) the amendments under this Section 15 shall not have effect with respect to any petition for inter partes review, filed under the provisions of section 321 that were in effect on the day before the enactment., before 1 year after the date of enactment and

(B) the amendments under this Section 15 shall not have effect with respect to any civil action under section 281 filed before the date of enactment.

TITLE II – PATENT VALIDITY DETERMINATIONS SIMPLIFICATION ACT

SEC. 21. SHORT TITLE; TABLE OF CONTENTS, REFERENCES, LEGISLATIVE PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the “Patent Validity Determinations Simplification Act.”

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 21. Short Title, Table of Contents, References; Legislative Purpose.

Sec. 22. Validity and Enforceability in Cases of Double Patenting.

Sec. 23. Validity and Enforceability of Claimed Inventions in Public Use or on Sale.

Sec. 24. Validity and Enforceability of Patents in Cases of Incorrect Inventorship.

Sec. 25. Information Disclosures and Prosecution Misconduct.

(c) REFERENCES.—Unless otherwise indicated, a reference herein to an amendment made under this Act, or a section or chapter of United States Code otherwise, is a reference to title 35, United States Code.

(d) LEGISLATIVE PURPOSE.—The intent and purpose of this Act is to simplify and streamline the post-issuance review of patents, as well as examination of applications for patent, by reducing the number of potential patentability issues that may require consideration during patent application examination and post-grant review of issued patents. The Act eliminates patent invalidity based upon obviousness-type double patenting, prior art not available to the public arising from on in use or sale activities, and improper inventorship. It replaces these grounds of invalidity with newly codified defenses to the enforceability of a patent. The Act codifies enhanced requirements for patent applicant submissions of relevant patents and printed publications during patent examination as a means of improving the efficiency and accuracy of patent examination and facilitates the discharge of these enhanced disclosure requirements by enacting a safe harbor for such disclosures by patent applicants by codifying the unenforceability defense to patent infringement based upon patent prosecution misconduct in a manner that excludes holding valid patent claims unenforceable on misconduct grounds.

SEC. 22. VALIDITY AND ENFORCEABILITY IN CASES OF DOUBLE PATENTING.

(a) OBVIOUSNESS-TYPE DOUBLE PATENTING INVALIDITY ABROGATED.—Except as provided under the provisions of section 101 that precludes patenting of multiple claimed inventions defining the identical subject matter and section 103 that requires non-obviousness over prior art, no claimed invention of a patent shall be invalid on account of patentable indistinctiveness with respect to a claimed invention of the same or another patent. Claimed inventions in applications for patent must not be examined by the Office for similarity with respect to one another, except to assure compliance with sections 101 and 103.

(b) UNENFORCEABILITY DEFENSES.—In section 282, insert at the end:

“(d) ENFORCEABILITY DEFENSES.

“(1) DOUBLE PATENT ASSERTION DEFENSE.—A claimed invention in a patent alleged to be infringed in a civil action shall be unenforceable in such action if (A) the infringement allegation would have been barred on res judicata grounds had each of the claims of a second patent been included as claims of the asserted patent and (B) such second patent contains at least one claim that is patentably indistinct from at least one claim in the asserted patent for which neither of such patentably indistinct claimed inventions represents prior art to the other. For the purposes of this paragraph, two claimed inventions shall be regarded as patentably indistinct unless each would represent novel and non-obvious subject matter had the other constituted prior art to it.

“(2) LIMITATION ON PATENT LIFE TO 20 YEARS FOR PATENTABLY INDISTINCT CLAIMS.—Except for an extension of term under section 156, with respect to any two claimed inventions that are patentably indistinct from one another under paragraph (1), the rights granted under this title with respect to such claimed inventions shall not be enforceable after 20 years from the original patent issue date of either patentably indistinct claimed invention.”

(c) EFFECTIVE DATE AND EFFECT.—

(1) EFFECTIVE DATE.—The amendments made by this Section 22 shall be effective upon enactment, except that such amendments shall not—

(A) apply to a civil action involving a patent that was brought before the date of enactment or

(B) limit the enforceability of any claimed invention of a patent issued before the date of enactment to the extent that the claimed invention otherwise would have been enforceable absent the enactment of this Section 22.

(2) DOUBLE PATENTING DISCLAIMERS.—A terminal disclaimer under section 253(b) filed before the effective date shall have no effect on the enforceability of a patent if (i) a claimed invention in the patent is subject to a limitation on enforceability under section 282(d)(1) or (2) and (ii) the disclaimed term of the patent extends more than one year after the effective date.

SEC.23 . VALIDITY AND ENFORCEABILITY OF CLAIMED INVENTIONS IN PUBLIC USE OR ON SALE.

(a) INVALIDITY GROUNDED ON ACTIVITIES NOT AVAILABLE TO THE PUBLIC ABROGATED.

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(1) FIRST-INVENTOR-TO-FILE PATENTS.—In section 102(a)(1), strike “or in public use, on sale,”.

(2) FIRST-TO-INVENT PATENTS.—In sections 102(b) and 119(a), as in effect on the day before the enactment of the Leahy-Smith America Invents Act, strike “in public use or on sale” and insert “otherwise available to the public”.

(b) UNENFORCEABILITY DEFENSE SUPERSEDING INVALIDITY DEFENSE.—In section 282, as amended under Section 22, insert at the end:

“(3) APPLICATION FILING LACHES DEFENSE.—If the inventor or a joint inventor, directly or indirectly, had placed a claimed invention in public use or on sale in the United States more than six years prior to the effective filing date of the claimed invention, the patent claiming the invention shall be unenforceable unless, prior to the date on which the patent was initially issued, the patentee had disclaimed under section 253(b) at least the term of the patent extending beyond 22 years from the date on which the claimed invention was first placed in public use or on sale in the United States by the inventor or a joint inventor.”

(c) EFFECTIVE DATE, TRANSITION PROVISIONS, AND EFFECT.—

(1) EFFECTIVE DATE.—The amendments made by this Section 23 shall be effective upon enactment, except that such amendments shall not—

(1) apply to a civil action involving a patent that was brought before the date of enactment or

(2) limit the enforceability of any claimed invention of a patent issued before the date of enactment to the extent that the claimed invention otherwise would have been enforceable absent the enactment of this Section 23.

(2) DISCLAIMERS RELATING TO PUBLIC USE OR ON SALE ACTIVITIES.—Notwithstanding section 282(d)(3), for a claimed invention of a patent issued before six months after the date of enactment that, absent the amendments under this Section 23 would have been invalid under section 102 based on in public use or on sale activities, the period for filing the disclaimer required under section 282(d)(3) shall be 1 year from the date of enactment.

***SEC. 24. VALIDITY AND ENFORCEABILITY OF PATENTS IN CASES OF
INCORRECT INVENTORSHIP.***

(a) UNENFORCEABILITY DEFENSE SUPERSEDING INVALIDITY DEFENSE.—In section 282, as amended under Sections 22 and 23, insert at the end:

“(4) INCORRECT INVENTORSHIP DEFENSE.—Notwithstanding any other provision of this title, if a patent incorrectly names the inventor and the correction of inventorship would result in a change in the ownership of the patent, such patent shall not be enforceable unless and until the naming of the inventor of the patent is corrected. Except as provided in the preceding sentence, a patent shall not be held to be invalid or unenforceable for naming an individual as the inventor or a joint inventor who is not the inventor or a joint inventor of any claimed invention therein or for the failure to name as the inventor or a joint inventor an individual who is the inventor or a joint inventor of at least one claimed invention therein.

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(b) EFFECTIVE DATE AND EFFECT.—The amendments made by this Section 24 shall be effective upon enactment, except that such amendments shall not—

(1) apply to a civil action involving a patent that was brought before the date of enactment or

(2) limit the enforceability of any claimed invention of a patent issued before the date of enactment to the extent that the claimed invention otherwise would have been enforceable absent the enactment of this Section 24.

SEC. 25 . INFORMATION DISCLOSURES AND PROSECUTION MISCONDUCT.

(a) PATENT APPLICANT DISCLOSURES.—In section 122, strike subsection (e) and insert:

“(e) DISCLOSURES OF PATENTS AND PRINTED PUBLICATIONS DURING EXAMINATION.—

“(1) APPLICANT DISCLOSURES.—

“(A) IN GENERAL.—A patent or printed publication that may or does constitute prior art material to patentability of a claim in an application being examined, or otherwise is of potential or actual relevance to the patentability of a claim, may be submitted by the applicant to the Office for consideration during the examination of the application only if the applicant—

“(i) provides with the submission of such item a concise description of its potential relevance to the patentability of the claims being examined;

“(ii) pays any fee established by the Director for submission of such item; and

“(iii) meets such other requirements as to timing and form for the submission of the item as the Director may establish by regulation.

“(B) EXCEPTIONS.—The requirements under subparagraph (A) shall not apply to any patent or printed publication—

“(i) for which the specification of the application contains a concise description of its potential or actual relevance to the patentability of the original claims or

“(ii) that is exempted from such requirements under regulations established by the Director.

“(C) CONSIDERATION BY THE OFFICE.—A patent or printed publication shall not be considered, or be regarded as having been considered, by the Office unless it—

“(i) meets the requirements under subparagraph (A),

“(ii) falls within the exception under subparagraph (B),

“(iii) is listed in an action reporting on the prior art prepared by the Office during the examination of the application or a like report prepared in connection with a related foreign or international application that has been made available during examination in a timely manner, or

“(iv) is identified in a submission in connection with the application in compliance with paragraph (2).

“(2) SUBMISSIONS BY THIRD PARTIES.—

“(A) IN GENERAL.—Any third party may submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application, if such submission is made in writing before the earlier of—

“(i) the date a notice of allowance under section 151 is given or mailed in the application for patent; or

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“(ii) the later of 6 months after the date on which the application for patent is first published under this section by the Office or the date of the first rejection under section 132 of any claim by the examiner during the examination of the application for patent.

“(B) OTHER REQUIREMENTS.—Any submission under subparagraph (A) shall—

“(i) set forth a concise description of the asserted relevance of each submitted document;

“(ii) be accompanied by such fee as the Director may prescribe; and

“(iii) include a statement by the person making such submission affirming that the submission was made in compliance with this paragraph.”

(b) PROSECUTION MISCONDUCT UNENFORCEABILITY DEFENSE.—In section 282, as amended under Sections 22, 23, and 24, insert at the end:

“(5) PROSECUTION MISCONDUCT DEFENSE.—Claims of a patent, except for claims not invalid under this title, may be declared unenforceable based upon prosecution misconduct in seeking or securing the patent, including any misconduct determined to be inequitable. The bar under the preceding sentence to misconduct-based unenforceability of a claim of a patent that is not invalid shall not otherwise limit remedies available under law based upon prosecution misconduct, including criminal penalties, disciplinary sanctions, and liabilities imposed under federal competition laws based on fraudulent conduct in connection with securing a patent.”

(c) EFFECTIVE DATE AND EFFECT.—The amendments made by this Section 25 shall be effective upon enactment, except that such amendments shall not apply to—

(1) a civil action involving a patent that was brought before the date of enactment or

(2) the examination of any application for patent filed before 6 months after the date of enactment.

TITLE III – PATENT EXAMINATION SIMPLIFICATION ACT

SEC. 31. SHORT TITLE; TABLE OF CONTENTS, REFERENCES, LEGISLATIVE PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the “Patent Examination Simplification Act.”

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 31. Short Title, Table of Contents, References; Legislative Purpose.

Sec. 32. Streamlined Patent Application Filing.

Sec. 33. Streamlined Patent Examination.

Sec. 34. Priority Rights Clarification.

Sec. 35. Conforming, Technical Amendments, Effective Date and Effect.

(c) REFERENCES.—Unless otherwise indicated, a reference herein to an amendment made under this Act, or a section or chapter of United States Code otherwise, is a reference to title 35, United States Code.

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(d) LEGISLATIVE PURPOSE.—The intent and purpose of this Act is to simplify and streamline the processes of filing applications for patent and issuing patents by assuring a full and complete examination is provided for each claim presented for examination in each nonprovisional patent application, thereby eliminating any need for any form of continuing patent application, all of which are eliminated under this Act, which thereby eliminates the possibility for any proliferation of patents that might issue based upon a single, original patent filing. The Act further simplifies patent filing requirements and offers technical corrections to the Leahy-Smith America Invents Act.

SEC. 32. STREAMLINED PATENT APPLICATION FILING.

(a) STREAMLINED APPLICATION REQUIREMENTS.—Strike section 111 and insert:

“§111. Nonprovisional and provisional applications for patent

“(a) NONPROVISIONAL APPLICATION.—

“(1) WRITTEN APPLICATION.—An application for patent filed under this subsection shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Director.

“(2) CONTENTS.—An application filed under this subsection shall include—

“(A) a specification that includes at least one claim, as prescribed by section 112;

“(B) if required, a drawing as prescribed by section 113; and

“(C) an identification of the inventor, as prescribed by section 115.

“(3) FEE AND IDENTIFICATION OF INVENTOR; FILING DATE.—

“(A) IN GENERAL.—The application must be accompanied by the fee required by law unless submitted within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director. The identification of the inventor may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director. The inventor statement required under section 115 must be submitted at or before the payment of the issue fee prescribed by section 151.

“(B) FAILURE TO SUBMIT.—Upon failure to submit the fee or the identification of the inventor within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Director that the delay in submitting the fee or identification of the inventor, as the case may be, was unavoidable or unintentional. The filing date of an application shall be the date on which the specification and any required drawing are received in the Office.

“(4) NONPROVISIONAL DESIGNATION.—An application filed under this subsection may be referenced under this title as a nonprovisional application.

“(b) PROVISIONAL APPLICATION.—

“(1) AUTHORIZATION.—An application for patent filed under this subsection shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Director. Such application shall include—

“(A) a specification as prescribed by section 112(a);

“(B) if required, a drawing as prescribed by section 113 ; and

“(C) an identification of the inventor.

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“(2) CLAIM.—A claim, although required under section 112(b) for an application filed under subsection (a), shall not be required in an application filed under this subsection.

“(3) FEE AND IDENTIFICATION OF INVENTOR.—

“(A) Except as provided under subparagraph (B), the application under this subsection must be accompanied by the fee required by law and an identification of the inventor.

“(B) The fee and the identification of the inventor may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director.

“(C) Upon failure to submit the fee or identification of inventor within such prescribed period, the application shall be treated as though it did not contain the required specification, unless it is shown to the satisfaction of the Director that the delay in submitting the fee or identification of inventor, as the case may be, was unavoidable or unintentional.

“(4) FILING DATE.—The filing date of an application filed under this subsection shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

“(5) CONVERSION TO NONPROVISIONAL APPLICATION.—Notwithstanding the absence of a claim, upon timely request and as prescribed by the Director, an application filed under this subsection may be treated as an application filed under subsection (a). Subject to section 119(e), if no such request is made, the application filed under this subsection shall be regarded as abandoned 1 year after the filing date of such application and shall not be subject to revival after such 1-year period.

“(6) TREATMENT AS A PROVISIONAL APPLICATION.—Subject to all the conditions in this subsection and section 119(e), and as prescribed by the Director, an application for patent filed under subsection (a) may be treated as an application filed under this subsection.

“(7) NO RIGHT OF PRIORITY.—Unless converted under paragraph (5), an application filed under this subsection shall not be entitled to the right of priority of any other application under section 119 or 365(a).

“(8) OTHER APPLICABLE PROVISIONS.—The provisions of this title relating to applications for patent shall apply to applications filed under this subsection, except as otherwise provided, and except that provisional applications for patent shall not be subject to sections 115, 131, 135, and 157.”

(9) PROVISIONAL DESIGNATION.—An application filed under this subsection may be referenced under this title as a provisional application.”

(b) STREAMLINED INVENTOR STATEMENTS.—

(1) REQUIRED STATEMENT.—Strike section 115 and insert:

“§115. Inventor naming and required statement.

“An application for patent, including an application that commences the national stage under section 371, shall include, or be amended to include, the name of the inventor thereof, together with such identifying information with respect to the inventor as the Director may prescribe by regulation. No patent may issue on an application unless each individual named as the inventor or a joint inventor has submitted to the Office an assignment of the application, or other signed statement, stating that the application was made or was authorized to be made by such individual and such individual believes himself or herself to be the original inventor or an

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original joint inventor of a claimed invention in the application. For an individual deceased, under legal incapacity, unavailable after a diligent search, or obligated to assign a claimed invention but refuses to do so or to make a required statement under this section, an applicant as described in section 118 may satisfy the requirement under this section by filing a substitute statement representing that, upon an explanation of the relevant facts, such individual is believed to be the inventor or a joint inventor. Except as provided in section 256(b), no claimed invention shall be held invalid or unenforceable based on the failure to comply with any requirement under this section.”

(2) CONFORMING AMENDMENT.—The item relating to section 115 in the table of sections for chapter 11 of title 35, United States Code, is amended to read as follows:

“115. Inventor naming and required statement.”

(3) TECHNICAL AMENDMENTS.—In section 116(a), strike “and each make the required oath”; section 152, strike “upon the application made and the specification sworn to by the inventor,”; and in section 252(c), strike “and sworn to”.

(c) EFFECT AND EFFECTIVE DATE.—This amendments under this Section 32 shall be effective on the date of enactment and shall have effect for any application for patent filed on or after the date of enactment.

SEC. 33. STREAMLINED PATENT EXAMINATION.

(a) STREAMLINED EXAMINATION PRACTICES.—Strike and reserve sections 120 and 121 and insert at the end of chapter 12:

“§136. Restriction of independent claims.

“The examiner may object to an independent claim as being directed to multiple general inventive concepts and may require that each independent claim be restricted to a single general inventive concept. The applicant may request a review of any objection under this section by petition to the Director, identifying what the applicant regards as the single general inventive concept present in each independent claim. The validity of a patent shall not be questioned for failure of any claim to be restricted to a single general inventive concept.

(b) REQUIREMENT TO EXAMINE EACH CLAIM.— In section 131, strike “application” and insert “each claim of the application.”

(c) FEES.—

(1) In chapter 4 of title 35, United States Code, insert at the end:

“§ 43. Additional fees for excess claims.

“(a) EXCESS INDEPENDENT CLAIMS.—Upon filing, or upon pendency in an application for patent otherwise, of claims in independent form in excess of 3, in addition to the fee specified in section 41(a)(2), the applicant shall incur an excess claims fee under this section in the amount of the total fee as specified in section 41(a) for the original filing, the search, and the examination

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of the application for each claim in independent form in excess of 3. Upon issuing a patent containing one or more claims in independent form in excess of 3, in addition to the issue fee specified in section 41(a)(4), the applicant shall incur an additional issue fee under this section in the amount of the fee as specified in section 41(a)(4) for each claim in independent form in excess of 3. At the time of payment of a maintenance fee under section 41(b) with respect to a patent, the patentee shall incur an additional maintenance fee under this section, in the amount of the fee as specified in section 41(b) for maintaining the patent in force, for each claim then in the patent in independent form in excess of 3.

“(b) EXCESS DEPENDENT CLAIMS.—Upon issuing a patent containing one or more dependent claims in excess of 30, in addition to the issue fee specified in section 41(a)(4), the applicant shall incur an additional issue fee under this section in the amount of the fee as specified in section 41(a)(4) for each 10 dependent claim in in excess of 30. At the time of payment of a maintenance fee under section 41(b) with respect to a patent, the patentee shall incur an additional maintenance fee under this section, in the amount of the fee as specified in section 41(b) for maintaining the patent in force, for each 10 dependent claim then in the patent in excess of 30.”

(2) In section 41(a)(2)(A), strike items (i) and (ii) and strike the designation for item (iii).

(d) CONFORMING AMENDMENTS.—

(1) The items relating to sections 120-121 in the table of sections for chapter 11 of title 35, United States Code, are amended to read as follows:

“120. [Reserved.]”

“121. [Reserved.]”

(2) In the table of sections for chapter 12, insert at the end:

“136. Restriction of independent claims.

(3) In the table of sections for chapter 4 of title 35, United States Code, insert at the end:

“43. Additional fees for excess claims.

(e) TECHNICAL AMENDMENTS.—

(1) In section 100(i)(1)(B), strike “or to the benefit of an earlier filing date under section 120, 121, or 365(c)” and in section 100(i)(2) strike “patent for which reissue was sought” and insert “patent as initially issued”.

(2) In section 154(a)(2) and section 251 as amended under Section 22, strike “or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c), from the date on which the earliest such application was filed”.

(3) In section 184(b), strike “, or divisions thereof”.

(4) In section 366, strike “, unless a claim for benefit of a prior filing date under section 365(c) of this section was made in a national application, or an international application designating the United States, filed before the date of such withdrawal”.

(5) Strike section 365(c).

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(f) EFFECT AND EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided under paragraph 2, the amendments under this Section 33 shall have effect one year after the date of enactment and shall have effect for applications for filed one year or more after the date of enactment.

(2) TRANSITION PROVISIONS.—

(A) For any application for patent, filed between the date of enactment and 1 year thereafter, in which no restriction requirement is made under section 121 before 1 year from the date of enactment, the amendments under this Section 33 shall have effect for such application except to the extent of denying the benefit of an earlier filing date under section 120, 121, or 365(c) or affecting the term of the patent under section 154(a)(2).

(B) For any application for patent, filed between the date of enactment and 1 year thereafter, in which a restriction requirement is made under section 121 before 1 year from the date of enactment, the amendments under this Section 33 denying the benefit of an earlier filing date under section 120, 121, or 365(c) or affecting the term of the patent under section 154(a)(2) shall not have effect for such application or for any application filed under section 111(a) not later than 2 years from the date of enactment asserting the right to benefit of the filing date of such application.

SEC. 34. CLARIFICATION OF PRIORITY RIGHTS.

(a) PRIORITY RIGHTS CLARIFICATION.—In section 119, strike subsection (e) and insert:

“(e) PRIORITY BASED ON PROVISIONAL APPLICATION FILING.—

“(1) IN GENERAL.—A nonprovisional application for patent filed under section 111(a), including an application filed under section 363, with respect to a claimed invention disclosed in the manner provided under section 112 in a provisional application filed under section 111(b) that names or is amended to name the inventor or a joint inventor who is named in the provisional application, including through amendment of the provisional application, shall have the same effect, as to such claimed invention, as though the nonprovisional application had been filed on the date of the provisional application, if the nonprovisional application—

“(A) is filed not later than 1 year after the date on which the provisional application was filed and

“(B) contains or is amended to contain a specific reference to the provisional application.

“(2) SPECIFIC REQUIREMENTS.—

“(A) IN GENERAL.—No application shall be entitled to the benefit of an earlier filed provisional application under this subsection unless an amendment containing the specific reference to the earlier filed provisional application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this subsection. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this subsection during the pendency of the application.

“(B) OTHER REQUIREMENTS FOR RELIANCE.—A provisional application filed under section 111(b) may not be relied upon in any proceeding in the Office unless the requirements under section 111(b) have been met, including with respect to any required fees.”

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(2) CONFORMING AMENDMENTS.—In section 119—

(1) in subsection (a), strike “(a)” and insert “(a) PRIORITY RIGHT.—”;

(2) in paragraph (b)(1), strike “(b)(1)” and insert:

“**(b) RESTRICTIONS AND REQUIREMENTS—**

“(1) **IN GENERAL.—**”;

(3) in paragraph (b)(2), strike “(2)” and insert “(2) **WAIVER OF RIGHT.—**”;

(4) in paragraph (b)(3), strike “(3)” and insert “(3) **CERTIFIED COPIES.—**”;

(5) in subsection (c), strike “(c)” and insert “(c) **RIGHT BASED ON SUBSEQUENT FILING.—**”

and

(6) in subsection (d), strike “(d)” and insert “(d) **INVENTOR CERTIFICATE.—**”.

(b) INDEFINITE ARTICLE OMISSION.—In section 102(b)(1)(A), section 112(a), and section 291, strike “or joint inventor” and insert “or a joint inventor”.

(c) TECHNICAL CORRECTION.—In section 112(a), strike the remainder of the sentence after “same”; and in section 282(b)(2)(A), strike the remainder of the subparagraph up to the semicolon after “112”.

(c) EFFECTIVE DATE AND EFFECT.— The amendments under this Section 34(a) shall have effect as though enacted as amendments under Section 4 of the Leahy-Smith America Invents Act. The amendments under this Section 34(b) shall have effect as though enacted as amendments under Section 3(b)(1) of the Leahy-Smith America Invents Act. The amendments under this Section 34(c) shall have effect as though enacted as amendments under Section 15 of the Leahy-Smith America Invents Act.