

117TH CONGRESS
2D SESSION

S. _____

To amend title 35, United States Code, to address matters relating to the Patent Trial and Appeal Board of the United States Patent and Trademark Office, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. LEAHY (for himself, Mr. CORNYN, and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend title 35, United States Code, to address matters relating to the Patent Trial and Appeal Board of the United States Patent and Trademark Office, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Patent Trial and Ap-
5 peal Board Reform Act of 2022”.

6 **SEC. 2. PATENTS.**

7 (a) IN GENERAL.—Title 35, United States Code, is
8 amended—

1 (1) in section 6—

2 (A) in subsection (a), by inserting after the
3 third sentence the following: “Each member of
4 the Patent Trial and Appeal Board shall com-
5 ply with the Code of Conduct for United States
6 Judges, including limitations on ex parte com-
7 munications, when performing the duties enu-
8 merated in subsection (b).”;

9 (B) in subsection (c)—

10 (i) in the second sentence, by striking
11 “Only the” and inserting “The”; and

12 (ii) by adding at the end the fol-
13 lowing: “After the constitution of a panel
14 of the Patent Trial and Appeal Board
15 under this subsection has been made pub-
16 lic, any changes to the constitution of that
17 panel, including changes that were made
18 before the constitution of the panel was
19 made public, shall be noted in the record.”;

20 (C) by redesignating subsection (d) as sub-
21 section (e);

22 (D) by inserting after subsection (c) the
23 following:

24 “(d) REVIEW BY THE DIRECTOR.—

25 “(1) OPPORTUNITIES FOR REVIEW.—

1 “(A) IN GENERAL.—With respect to a de-
2 cision of the Patent Trial and Appeal Board—

3 “(i) the Director may, on the initia-
4 tive of the Director, review, and modify or
5 set aside, the decision;

6 “(ii) if the decision is issued under
7 section 318(a) or 328(a), a party to the
8 applicable inter partes or post-grant review
9 may request that the Director review, and
10 modify or set aside, the decision; and

11 “(iii) if the decision is issued under
12 section 314 or 324 under a delegation by
13 the Director, a party to the applicable
14 inter partes or post-grant review petition
15 may request that the Director review, and
16 modify or set aside, the decision.

17 “(B) EFFECT OF REQUEST FOR REVIEW
18 OF DETERMINATION TO INSTITUTE REVIEW.—A
19 request for review under subparagraph (A)(iii)
20 shall not be a basis to stay or delay any pro-
21 ceeding.

22 “(2) REQUIREMENT.—

23 “(A) IN GENERAL.—Any review by the Di-
24 rector under paragraph (1) shall be issued in a
25 separate written opinion that—

1 “(i) is made part of the public record;

2 “(ii) sets forth the reasons for the re-
3 view, modification, or setting aside of the
4 decision of the Patent Trial and Appeal
5 Board; and

6 “(iii) may be designated as preceden-
7 tial, and if it is designated as precedential,
8 shall be followed by future panels of the
9 Patent Trial and Appeal Board, unless and
10 until the opinion is—

11 “(I) rescinded; or

12 “(II) superseded by—

13 “(aa) regulation;

14 “(bb) a decision of the Di-
15 rector that is designated as prec-
16 edential; or

17 “(cc) a decision of a court.

18 “(B) EFFECT OF PRECEDENTIAL DESIGNA-
19 TION.—Nothing in subparagraph (A)(iii) shall
20 be construed to affect the obligation of the Di-
21 rector to prescribe regulations under section
22 316(a) or 326(a).

23 “(3) TIMELINE AND BASES FOR REVIEW.—Not
24 later than 18 months after the date of enactment of
25 the Patent Trial and Appeal Board Reform Act of

1 2022, the Director shall promulgate rules addressing
2 the following issues:

3 “(A) With respect to review of a decision
4 on the initiative of the Director under para-
5 graph (1)(A)(i)—

6 “(i) the timeline under which the Di-
7 rector may review the decision, which shall
8 be consistent with the requirements under
9 section 318(e) or 328(e), if applicable; and

10 “(ii) the bases on which the Director
11 may review the decision.

12 “(B) With respect to a request by a party
13 under clause (ii) or (iii) of paragraph (1)(A)—

14 “(i) the timeline for submitting such a
15 request;

16 “(ii) the content that the party is re-
17 quired to include in such a request;

18 “(iii) the bases on which the party
19 may submit such a request; and

20 “(iv) the timeline for any response or
21 reply to such a request such that the re-
22 quest can be decided within the deadline
23 imposed under section 318(e) or 328(e), as
24 applicable.

1 “(4) DETERMINATION WHETHER TO REVIEW
2 FINAL DECISIONS OF BOARD.—Notwithstanding the
3 bases for review promulgated under paragraph (3),
4 the determination whether to review a final decision
5 of the Patent Trial and Appeal Board under this
6 subsection is committed to the discretion of the Di-
7 rector.

8 “(5) RULE OF CONSTRUCTION.—For the pur-
9 poses of an appeal permitted under section 141, any
10 decision on review of a final written decision of the
11 Patent Trial and Appeal Board under section 318(a)
12 or 328(a), that is issued by the Director under this
13 subsection, shall be deemed a final written decision
14 of the Patent Trial and Appeal Board.”; and

15 (E) in subsection (e), as so redesignated—

16 (i) in the first sentence—

17 (I) by striking “of this sub-
18 section” and inserting “of the Patent
19 Trial and Appeal Board Reform Act
20 of 2022”;

21 (II) by inserting “or the Sec-
22 retary” after “appointment by the Di-
23 rector”; and

1 (III) by inserting “or the Sec-
2 retary, as applicable,” after “on which
3 the Director”; and

4 (ii) in the second sentence—

5 (I) by inserting “, or, before the
6 date of enactment of the Patent Trial
7 and Appeal Board Reform Act of
8 2022, having performed duties no
9 longer performed by administrative
10 patent judges,” after “by the Direc-
11 tor”; and

12 (II) by striking “that the admin-
13 istrative patent judge so appointed”
14 and inserting “that the applicable ad-
15 ministrative patent judge”;

16 (2) in chapter 31—

17 (A) in section 314(d), by striking “section”
18 and inserting “chapter”;

19 (B) in section 315—

20 (i) in subsection (b), by striking “shall
21 not apply to a request for joinder under
22 subsection (c).” and inserting the fol-
23 lowing: “shall be subject to the following
24 limitations:

25 “(1) The time limitation shall not apply—

1 “(A) to a request for joinder under sub-
2 section (c); or

3 “(B) if the complaint is dismissed without
4 prejudice.

5 “(2) If new or amended claims issue from reex-
6 amination after the petitioner, real party in interest,
7 or privy of the petitioner is served with the com-
8 plaint, an inter partes review of those claims, and
9 any dependent claims depending from those claims,
10 may be instituted if the petition requesting the re-
11 view is filed not later than 1 year after the date on
12 which the new or amended claims are asserted
13 against the petitioner, real party in interest, or privy
14 of the petitioner.”;

15 (ii) in subsection (c), by inserting “a
16 request to join the inter partes review and”
17 before “a petition under section 311”;

18 (iii) in subsection (d)—

19 (I) by striking “Notwith-
20 standing” and inserting the following:

21 “(1) IN GENERAL.—Notwithstanding”; and

22 (II) by striking “before the Of-
23 fice,” and all that follows and insert-
24 ing the following: “before the Office—

25 “(A) the parties shall notify the Director;

1 after “decision under section 318(a)”;

2 and

3 (II) by adding at the end the fol-

4 lowing:

5 “(3) APPLICABILITY.—The prohibitions under
6 this subsection shall apply to the petitioner in an
7 inter partes review upon the issuance of the final
8 written decision for that review.”; and

9 (v) by adding at the end the following:

10 “(f) INSTITUTION NOT TO BE DENIED BASED ON
11 PARALLEL PROCEEDINGS.—In deciding whether to insti-
12 tute an inter partes review proceeding, the Director shall
13 not in any respect consider an ongoing civil action or a
14 proceeding before the International Trade Commission
15 under section 337 of the Tariff Act of 1930 (19 U.S.C.
16 1337), other than with respect to—

17 “(1) the bars specified in subsections (a) and
18 (b); or

19 “(2) the determination under section 314(a)
20 that there is a reasonable likelihood that the peti-
21 tioner would prevail with respect to at least 1 of the
22 claims challenged in the petition.”;

23 (C) in section 316—

24 (i) in subsection (a)—

25 (I) in paragraph (5)—

1 (aa) in subparagraph (A),
2 by striking “and” at the end;

3 (bb) by redesignating sub-
4 subparagraph (B) as subparagraph
5 (C); and

6 (cc) by inserting after sub-
7 paragraph (A) the following:

8 “(B) evidence identifying real parties in in-
9 terest of the petitioner who would be statutorily
10 prohibited from filing a petition under section
11 311; and”;

12 (II) in paragraph (6)—

13 (aa) by inserting after
14 “abuse of process,” the following:
15 “including a petitioner delib-
16 erately delaying or losing, or of-
17 fering to deliberately delay or
18 lose, an instituted proceeding in
19 exchange for consideration,”; and

20 (bb) by inserting before the
21 semicolon at the end the fol-
22 lowing: “, which sanctions shall
23 be equally applicable to peti-
24 tioners and patent owners and

1 may include, among other
2 things—

3 “(A) shifting costs, expert witness fees, or
4 attorney fees;

5 “(B) referring counsel to the Office of En-
6 rollment and Discipline;

7 “(C) a bar preventing a party from filing
8 certain documents; and

9 “(D) a bar preventing a party from filing
10 any inter partes review or post-grant review pe-
11 tition for a period of 1 year”;

12 (III) in paragraph (11), by in-
13 serting “or consolidation under sec-
14 tion 315(d)” after “under section
15 315(c)”;

16 (IV) in paragraph (12), by strik-
17 ing “and” at the end;

18 (V) in paragraph (13), by strik-
19 ing the period at the end and insert-
20 ing “; and”; and

21 (VI) by adding at the end the fol-
22 lowing:

23 “(14) providing that for all purposes under this
24 chapter—

1 “(A) each term in a challenged claim of a
2 patent shall be construed using the same claim
3 construction standard that would be used to
4 construe the term in a civil action under chap-
5 ter 29; and

6 “(B) if a court has previously construed a
7 term in a civil action involving the patent under
8 chapter 29, the Office—

9 “(i) shall make that construction of
10 record in the proceeding; and

11 “(ii) shall consider but shall not be
12 bound by that construction.”;

13 (ii) in subsection (c)—

14 (I) by striking “The Patent” and
15 inserting the following:

16 “(1) IN GENERAL.—The Patent”; and

17 (II) by adding at the end the fol-
18 lowing:

19 “(2) EX PARTE COMMUNICATION.—An officer
20 who has supervisory authority or disciplinary author-
21 ity with respect to an administrative patent judge of
22 the Patent Trial and Appeal Board (or a delegate of
23 such an officer), and who is not a member of a panel
24 described in section 6(c), shall refrain from ex parte
25 communication with such a judge who is a member

1 of that panel concerning any pending matter before
2 that panel, except as allowed under the Code of Con-
3 duct for United States Judges.”; and

4 (iii) in subsection (e)—

5 (I) by striking “In an” and in-
6 serting the following:

7 “(1) IN GENERAL.—In an”;

8 (II) in paragraph (1), as so des-
9 ignated, by inserting “of challenged
10 patent claims” after
11 “unpatentability”; and

12 (III) by adding at the end the
13 following:

14 “(2) CLAIM AMENDMENT.—For any substitute
15 claim proposed under subsection (d), the burden of
16 proving patentability, including under sections 101,
17 102, 103, and 112, shall be the same as in examina-
18 tion under section 131.”;

19 (D) in section 318—

20 (i) in subsection (b), by inserting “,
21 not later than 60 days after the date on
22 which the parties to the inter partes review
23 have informed the Director that the time
24 for appeal has expired or any appeal has

1 terminated,” after “the Director shall”;

2 and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(e) REHEARING.—Not later than 120 days after the
6 date on which the Patent Trial and Appeal Board issues
7 a final written decision under subsection (a), the Board
8 or the Director shall finally decide any request for recon-
9 sideration, rehearing, or review that is submitted with re-
10 spect to the decision, except that the Director may, for
11 good cause shown, extend that 120-day period by not more
12 than 60 days.”;

13 (E) in section 319—

14 (i) by striking “A party” and insert-
15 ing the following:

16 “(a) IN GENERAL.—A party”; and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(b) STANDING TO APPEAL.—For the purposes of an
20 appeal described in subsection (a), the right to appeal
21 shall extend at least to any dissatisfied party that reason-
22 ably expects that another person will assert estoppel
23 against the party under section 315(e) as a result of the
24 decision.

1 “(c) TIMING ON REMAND AFTER APPEAL.—Not later
2 than 120 days after the date on which a mandate issues
3 from the court remanding to the Patent Trial and Appeal
4 Board after an appeal under subsection (a), the Board or
5 the Director shall finally decide any issue on remand, ex-
6 cept that the Director may, for good cause shown, extend
7 that 120-day period by not more than 60 days.”; and

8 (F) by adding at the end the following:

9 **“§ 320. Support for small and micro entities in inter**
10 **partes review and post-grant review**

11 “(a) COVERED PATENT DEFINED.—In this section,
12 the term ‘covered patent’ means a patent—

13 “(1) that is the subject of a petition for inter
14 partes review under chapter 31 or post-grant review
15 under chapter 32;

16 “(2) whose owner at the time of the patent ap-
17 plication qualified for small entity or micro entity
18 status;

19 “(3) whose owner, on the date on which the pe-
20 tition is filed, would qualify for small entity or micro
21 entity status if that owner were to file a patent ap-
22 plication;

23 “(4) whose owner has not asserted the patent
24 in litigation;

1 “(5) that has not been licensed to any other
2 party that would not qualify for small entity or
3 micro entity status if that party were to file a patent
4 application; and

5 “(6) the owner or exclusive licensee of which
6 makes or uses the claimed invention in a commercial
7 enterprise, or has made substantial preparations to
8 do so.

9 “(b) EXPENSES COVERED.—

10 “(1) IN GENERAL.—The Office shall pay to the
11 owner of a covered patent all of the reasonable ex-
12 penses of the proceeding actually incurred by the
13 patent owner (and not expenses incurred by a third
14 party funding the proceeding), including reasonable
15 expert witness fees and reasonable attorney fees, for
16 defending the inter partes review or post-grant re-
17 view.

18 “(2) EXPENSES INCLUDED.—The expenses to
19 be paid under paragraph (1) shall include expenses
20 of—

21 “(A) a preliminary response under section
22 313 or 323;

23 “(B) a response under section 316(a)(8) or
24 326(a)(8);

1 “(C) any discovery under section 316(a)(5)
2 or 326(a)(5);

3 “(D) motions filed at the Patent Trial and
4 Appeal Board;

5 “(E) any requests for reconsideration, re-
6 hearing, or review; and

7 “(F) any proceedings after a remand from
8 the Court of Appeals for the Federal Circuit.

9 “(3) PAYMENT NOT DEPENDENT ON OUT-
10 COME.—The Office shall pay reasonable expenses
11 under paragraph (1) regardless of the outcome of
12 the proceeding.

13 “(4) EXPENSES NOT INCLUDED.—The expenses
14 to be paid under paragraph (1) shall not include ex-
15 penses incurred—

16 “(A) in a proceeding at the Court of Ap-
17 peals for the Federal Circuit or any tribunal
18 outside the Office; or

19 “(B) in moving to amend any patent claim
20 under—

21 “(i) subsection (a)(9), (d), or (e) of
22 section 316; or

23 “(ii) subsection (a)(9), (d), or (e) of
24 section 326.

1 “(c) SOURCE OF FUNDS.—The total estimated ex-
2 penses paid to owners of covered patents under this sec-
3 tion—

4 “(1) shall be considered part of the aggregate
5 costs under section 311(a) or 321(a); and

6 “(2) shall be recovered through fees paid by pe-
7 titioners.”; and

8 (3) in chapter 32—

9 (A) in section 324(e), by striking “section”
10 and inserting “chapter”;

11 (B) in section 325—

12 (i) in subsection (c), by inserting “,
13 the petitioner files a request to join the
14 post-grant review,” before “and the Direc-
15 tor”;

16 (ii) by striking subsection (d) and in-
17 serting the following:

18 “(d) MULTIPLE PROCEEDINGS.—

19 “(1) IN GENERAL.—Notwithstanding sections
20 135(a), 251, and 252, and chapter 30, during the
21 pendency of any post-grant review under this chap-
22 ter, if another proceeding or matter involving the
23 patent is before the Office—

24 “(A) the parties shall notify the Director;

1 “(B) the Director shall issue a decision de-
2 termining the manner in which the other pro-
3 ceeding or matter may proceed, including pro-
4 viding for stay, transfer, consolidation, or ter-
5 mination of any such proceeding or matter; and

6 “(C) a party may seek review of the deci-
7 sion by way of petition to the Director.

8 “(2) NO EXTENSION.—A decision of the Direc-
9 tor under paragraph (1)(B) may not—

10 “(A) extend any statutory deadline under
11 this chapter; or

12 “(B) terminate an inter partes proceeding
13 in favor of an ex parte proceeding.

14 “(3) LIMIT ON REPEATED PETITIONS.—The Di-
15 rector shall not authorize a post-grant review to be
16 instituted if the Director has previously instituted an
17 inter partes review or post-grant review that includes
18 one or more of the same claims based on a petition
19 that was filed on a different day by the same peti-
20 tioner, or a real party in interest or privy of the
21 same petitioner.

22 “(4) CONSIDERATIONS.—In determining wheth-
23 er to institute or order a proceeding under this chap-
24 ter, chapter 30, or chapter 31, the Director may
25 take into account whether, and reject the petition or

1 request because, the same or substantially the same
2 prior art or arguments previously were presented to
3 the Office.”;

4 (iii) in subsection (e)—

5 (I) in paragraph (2), by inserting
6 “that the claim is not unpatentable”
7 after “decision under section 328(a)”;
8 and

9 (II) by adding at the end the fol-
10 lowing:

11 “(3) APPLICABILITY.—The prohibitions under
12 this subsection shall apply to the petitioner in a
13 post-grant review upon the issuance of the final
14 written decision for that review.”; and

15 (iv) by adding at the end the fol-
16 lowing:

17 “(g) INSTITUTION NOT TO BE DENIED BASED ON
18 PARALLEL PROCEEDINGS.—In deciding whether to insti-
19 tute a post-grant review proceeding, the Director shall not
20 in any respect consider an ongoing civil action or a pro-
21 ceeding before the International Trade Commission under
22 section 337 of the Tariff Act of 1930 (19 U.S.C. 1337),
23 other than with respect to the determination under section
24 324(a) that there is a reasonable likelihood that the peti-

1 tioner would prevail with respect to at least 1 of the claims
2 challenged in the petition.”;

3 (C) in section 326—

4 (i) in subsection (a)—

5 (I) in paragraph (5)—

6 (aa) by striking “shall be
7 limited to evidence” and inserting
8 the following: “shall be limited
9 to—

10 “(A) evidence”; and

11 (bb) by adding at the end
12 the following: “and

13 “(B) evidence identifying real parties in in-
14 terest of the petitioner who would be statutorily
15 prohibited from filing a petition under section
16 321;”;

17 (II) in paragraph (6)—

18 (aa) by inserting after
19 “abuse of process,” the following:
20 “including a petitioner delib-
21 erately delaying or losing, or of-
22 fering to deliberately delay or
23 lose, an instituted proceeding in
24 exchange for consideration,”; and

1 (bb) by inserting before the
2 semicolon at the end the fol-
3 lowing: “, which sanctions shall
4 be equally applicable to peti-
5 tioners and patent owners and
6 may include, among other
7 things—

8 “(A) shifting costs, expert witness fees, or
9 attorney fees;

10 “(B) referring counsel to the Office of En-
11 rollment and Discipline;

12 “(C) a bar preventing a party from filing
13 certain documents; and

14 “(D) a bar preventing a party from filing
15 any inter partes review or post-grant review pe-
16 tition for a period of 1 year”;

17 (III) in paragraph (11)—

18 (aa) by inserting “or consoli-
19 dation under section 325(d)”
20 after “under section 325(c)”; and

21 (bb) by striking “and” at
22 the end;

23 (IV) in paragraph (12), by strik-
24 ing the period at the end and insert-
25 ing “; and”; and

1 (V) by adding at the end the fol-
2 lowing:

3 “(13) providing that for all purposes under this
4 chapter—

5 “(A) each term in a challenged claim of a
6 patent shall be construed using the same claim
7 construction standard that would be used to
8 construe the term in a civil action under chap-
9 ter 29; and

10 “(B) if a court has previously construed a
11 term in a civil action involving the patent under
12 chapter 29, the Office—

13 “(i) shall make that construction of
14 record in the proceeding; and

15 “(ii) shall consider but shall not be
16 bound by that construction.”;

17 (ii) in subsection (c)—

18 (I) by striking “The Patent” and
19 inserting the following:

20 “(1) IN GENERAL.—The Patent”; and

21 (II) by adding at the end the fol-
22 lowing:

23 “(2) EX PARTE COMMUNICATION.—An officer
24 who has supervisory authority or disciplinary author-
25 ity with respect to an administrative patent judge of

1 the Patent Trial and Appeal Board (or a delegate of
2 such an officer), and who is not a member of a panel
3 described in section 6(e), shall refrain from ex parte
4 communication with such a judge who is a member
5 of that panel concerning any pending matter before
6 that panel, except as allowed under the Code of Con-
7 duct for United States Judges.”; and

8 (iii) in subsection (e)—

9 (I) by striking “In a” and insert-
10 ing the following:

11 “(1) IN GENERAL.—In a”;

12 (II) in paragraph (1), as so des-
13 igned, by inserting “of challenged
14 patent claims” after
15 “unpatentability”; and

16 (III) by adding at the end the
17 following:

18 “(2) CLAIM AMENDMENT.—For any substitute
19 claim proposed under subsection (d), the burden of
20 proving patentability, including under sections 101,
21 102, 103, and 112, shall be the same as in examina-
22 tion under section 131.”;

23 (D) in section 328—

24 (i) in subsection (b), by inserting “,
25 not later than 60 days after the date on

1 which the parties to the post-grant review
2 have informed the Director that the time
3 for appeal has expired or any appeal has
4 terminated,” after “the Director shall”;
5 and

6 (ii) by adding at the end the fol-
7 lowing:

8 “(e) REHEARING.—Not later than 120 days after the
9 date on which the Patent Trial and Appeal Board issues
10 a final written decision under subsection (a), the Board
11 or the Director shall finally decide any request for recon-
12 sideration, rehearing, or review that is submitted with re-
13 spect to the decision, except that the Director may, for
14 good cause shown, extend that 120-day period by not more
15 than 60 days.”; and

16 (E) in section 329—

17 (i) by striking “A party” and insert-
18 ing the following:

19 “(a) IN GENERAL.—A party”; and

20 (ii) by adding at the end the fol-
21 lowing:

22 “(b) STANDING TO APPEAL.—For the purposes of an
23 appeal described in subsection (a), the right to appeal
24 shall extend at least to any dissatisfied party that reason-
25 ably expects that another person will assert estoppel

1 against the party under section 325(e) as a result of the
2 decision.

3 “(c) **TIMING ON REMAND AFTER APPEAL.**—Not later
4 than 120 days after the date on which a mandate issues
5 from the court remanding to the Patent Trial and Appeal
6 Board after an appeal under subsection (a), the Board or
7 the Director shall finally decide any issue on remand, ex-
8 cept that the Director may, for good cause shown, extend
9 that 120-day period by not more than 60 days.”.

10 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—
11 The table of sections for chapter 31 of title 35, United
12 States Code, is amended by adding at the end the fol-
13 lowing:

“320. Support for small and micro entities in inter partes review and post-grant
review.”.