



“PREVAIL ACT”: Congressional Legislative Proposal on Patent Reform

Presented by

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Potential Legislation

- S.2220 - “Promoting and Respecting Economically Vital American Innovation Leadership Act” or the “PREVAIL Act”. Mr. Coons (with Mr. Tillis, Mr. Durbin and Mr. Hirono) (introduced July 10, 2023)
 - Available at:
<https://www.congress.gov/bill/118th-congress/senate-bill/2220/text>

S.2220: Prevail Act

Sec. 2. FINDINGS.

(10) **Unintended consequences** of the comprehensive **2011 reform** of patent laws have become evident during the decade preceding the date of enactment of this Act, including **the strategic filing of post-grant review proceedings to depress stock prices** and **extort settlements**, the **filing of repetitive petitions** for inter partes and post-grant reviews that have the **effect of harassing patent owners**, and the **unnecessary duplication** of work by the district courts of the United States and the Patent Trial and Appeal Board, all of which **drive down investment** in innovation and frustrate the purpose of those patent reform laws.

(11) Efforts by Congress to reform the patent system without careful scrutiny create **a serious risk of making it more costly and difficult for innovators to protect their patents from infringement**, thereby—

- (A) disincentivizing United States companies from innovating; and
- (B) weakening the economy of the United States.

Unintended Consequences of AIA:

- Strategic filings to depress stock prices and extort settlements;
 - Repetitive petitions to harass patent owners and create unnecessary duplication of work
- Drive down investment in innovation

Goal:

Avoid a serious risk of making it more costly and difficult for innovators to protect patents from infringement

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Sec. 3. PATENT TRIAL AND APPEALS BOARD

[Amend Section 6 to include:

“(b) **Code Of Conduct.**—

“(1) IN GENERAL.—The Director shall prescribe regulations *establishing a code of conduct for the members* of the Patent Trial and Appeal Board.

“(2) CONSIDERATIONS.—In prescribing regulations under paragraph (1), the Director shall consider the Code of Conduct for United States Judges and how the provisions of that Code of Conduct may apply to the Patent Trial and Appeal Board.”;

Establish a “*code of conduct*” for members of PTAB

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Sec. 3. PATENT TRIAL AND APPEALS BOARD

[Amend Section 6 to include:

(d) 3-Member Panels.—

“(1) IN GENERAL.—Each appeal, derivation proceeding, post-grant review, and inter partes review shall be *heard by at least 3 members* of the Patent Trial and Appeal Board, who shall be *designated by the Director*. The Patent Trial and Appeal Board may *grant rehearings*.

“(2) CHANGES TO CONSTITUTION OF PANEL.—After the constitution of a panel of the Patent Trial and Appeal Board under this subsection has been made public, *any changes to the constitution of that panel*, including changes that were made before the constitution of the panel was *made public*, shall be noted in the record.

“(3) NO DIRECTION OR INFLUENCE.—An *officer who has supervisory authority or disciplinary authority* with respect to an administrative patent judge of the Patent Trial and Appeal Board (or a delegate of such an officer), and who is not a member of a panel described in this subsection, shall *refrain from communications with the panel that direct or otherwise influence any merits decision of the panel*.

“(4) INELIGIBILITY TO HEAR REVIEW.—A member of the Patent Trial and Appeal Board who *participates in the decision to institute* an inter partes review or a post-grant review of a patent shall be *ineligible to hear the review*.”

Revision of Panels:

- At least 3 members designed by Director
- Changes in constitution of panel shall be made public
- Officer with supervisory or disciplinary authority **shall refrain from communications** to influence merits
- **Members who participate in institution decision shall not hear review.**

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Sec. 3. PATENT TRIAL AND APPEALS BOARD

[Amend Section 6 to include:

Question: Does “NO DIRECTION OR INFLUENCE” undermine the constitutionality of members of the PTAB under *Arthrex*?

“(2) CHANGES TO CONSTITUTION OF PANEL.—After the constitution of a panel of the Patent Trial and Appeal Board under this subsection has been made public, *any changes to the constitution of that panel*, including changes that were made before the constitution of the panel was *made public*, shall be noted in the record.

“(3) NO DIRECTION OR INFLUENCE.—An *officer who has supervisory authority or disciplinary authority* with respect to an administrative patent judge of the Patent Trial and Appeal Board (or a delegate of such an officer), and who is not a member of a panel described in this subsection, shall *refrain from communications with the panel that direct or otherwise influence any merits decision of the panel.*

“(4) INELIGIBILITY TO HEAR REVIEW.—A member of the Patent Trial and Appeal Board who *participates in the decision to institute* an inter partes review or a post-grant review of a patent shall be *ineligible to hear the review.*”

Revision of Panels:

- At least 3 members designed by Director
Changes in constitution of panel shall be made public
- Officer with supervisory or disciplinary authority shall refrain from communications to influence merits
- Members who participate in institution decision shall not hear review.

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Sec. 4. INTER PARTES REVIEW

(a) Standing And Real Parties In Interest.—[Adding 35 U.S.C. Section 311]:

“(d) Persons That May Petition.—

“(1) **DEFINITION.**—In this subsection, the term ‘*charged with infringement*’ means *a real and substantial controversy regarding infringement of a patent exists* such that the person would have *standing to bring a declaratory judgment action* in Federal court.

“(2) **NECESSARY CONDITIONS.**—A person may not file with the Office a petition to institute an inter partes review of a patent unless the person, or *a real party in interest* or *a privy* of the person, has been—

“(A) *sued* for infringement of the patent; or

“(B) *charged* with infringement of the patent.

“(e) **Real Party In Interest.**—For purposes of this chapter, a person that, directly or through an affiliate, subsidiary, or proxy, *makes a financial contribution to the preparation for, or conduct* during, an inter partes review on behalf of a petitioner shall be *considered a real party in interest of that petitioner.*”.

Standing and Real Parties in Interest

- Limiting Standing:
 - Same as DJ action
 - Requiring a infringement suit or charge
- RPI
 - Based on “makes a financial contribution to the preparation for or conduct of” IPR

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Sec. 4. INTER PARTES REVIEW

(b) **Institution Decision Rehearing Timing.**— Section 314 of title 35, United States Code, is amended by adding at the end the following:

“(e) **Rehearing.**— *Not later than 45 days* after the date on which a request for rehearing from a determination by the Director under subsection (b) is filed, *the Director shall finally decide any request for reconsideration, rehearing, or review* with respect to the determination, except that the Director may, for good cause shown, *extend that 45-day period by not more than 30 days.*”.

Rehearing of Institution:

- Reconsideration, Rehearing or Review to be decided by Director within 45 days – or extended for good cause up to 30 days.

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

(b)Patent Owner's Action.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. ~~The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).~~ **The time limitation set forth in the preceding sentence shall not bar a request for joinder under subsection (d) but shall establish a rebuttable presumption against joinder for the requesting person.**

Joinder:

- Allowing request for joinder after 1 year deadline, but creating presumption against joinder

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

“(c) Single Forum.—

“(1) IN GENERAL.—If an inter partes review *is instituted* challenging the validity of a patent, the petitioner, a real party in interest, or a privy of the petitioner *may not file or maintain, in a civil action arising in whole or in part* under section 1338 of title 28, or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 ([19 U.S.C. 1337](#)), *a claim, a counterclaim, or an affirmative defense challenging the validity of any claim of the patent on any ground described in section 311(b)*.

“(2) CONSIDERATIONS.—In determining whether to *institute* a proceeding under this chapter, subject to the provisions of subsections (a)(1) and (g), the Director *may not reject a petition* requesting an inter partes review on the basis of the petitioner, a real party in interest, or a privy of *the petitioner filing or maintaining a claim, a counterclaim, or an affirmative defense challenging the validity* of the applicable patent in any civil action arising in whole or in part under section 1338 of title 28, or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 ([19 U.S.C. 1337](#)).”;

Single Forum:

- Once instituted, Petitioner cannot “file or maintain” litigation “on any ground described in section 311(b)” (i.e., “section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”)
- Institution cannot be denied because petitioner “filing or maintaining a claim”

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

“(d) Joinder.—

“(1) IN GENERAL.—*If the Director institutes* an inter partes review, the Director, in the discretion of the Director, *may join as a party* to that inter partes review any person that *properly files* a request to join the inter partes review and a petition under section 311 that the Director, *after receiving a preliminary response under section 313 or the expiration of the time for filing such a response*, determines *warrants* the institution of an inter partes review under section 314.

“(2) TIME-BARRED PERSON.—Pursuant to paragraph (1), the Director, *in the discretion of the Director*, may join as a party to an inter partes review a person that *did not satisfy the time limitation under subsection (b)* that *rebutts the presumption against joinder*, except that any *such person shall not be permitted to serve as the lead petitioner and shall not be permitted to maintain the inter partes review unless a petitioner that satisfied the time limitation under subsection (b) remains in the inter partes review.*”;

Joinder:

- Allowing joinder of petition for instituted IPR if request filed after POPR filed (or time to file expired), if “warrant[ed]”
- Time-barred petitioner that rebuts presumption may join, but may not be lead and may not maintain unless no time-barred petitioner

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

“(e) Multiple Proceedings.—

“(1) IN GENERAL.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, after a petition to institute an inter partes review is filed, *if another proceeding or matter involving the patent is before the Office*—

“(A) the parties shall *notify the Director* of that other proceeding or matter—

“(i) not later than 30 days after the date of entry of the notice of filing date accorded to the petition; or

“(ii) if the other proceeding or matter is *filed after the date* on which the petition to institute an inter partes review is filed, *not later than 30 days after the date* on which the other proceeding or matter is filed; and

“(B) the Director shall *issue a decision determining* the manner in which the inter partes review or other proceeding or matter *may proceed*, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

“(2) CONSIDERATIONS.—In determining *whether to institute* a proceeding under this chapter, the *Director shall, unless* the Director determines that the petitioner has *demonstrated exceptional circumstances, reject any petition that presents prior art or an argument that is the same or substantially the same as prior art or an argument that previously was presented to the Office.*”;

Multiple Proceedings:

- Parties needed to notify director of “another proceeding or matter involving the patent” before the Office
- Director issue a “decision determining” manner in which such proceeding “may proceed” (stay, transfer, consolidate, terminate)
- Unless “exceptional circumstances” demonstrated, Director shall reject any petition presenting same prior art or argument previously presented to Office

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

“(f) Estoppel.—

“(1) IN GENERAL.—A *petitioner that has previously requested* an inter partes review of *a claim in a patent* under this chapter, or a real party in interest or a privy of such a petitioner, *may not request or maintain another proceeding* before the Office *with respect to that patent* on any ground that the petitioner *raised or reasonably could have raised* in the petition requesting or during the prior inter partes review, unless—

“(A) after the filing of the initial petition, the petitioner, or a real party in interest or a privy of the petitioner, *is charged with infringement of additional claims* of the patent;

“(B) a *subsequent petition* requests an inter partes review of *only the additional claims of the patent* that the petitioner, or a real party in interest or a privy of the petitioner, is *later charged with infringing*, and

“(C) that *subsequent petition* is accompanied by a *request for joinder* to the prior inter partes review, which *overcomes the rebuttable presumption* against joinder set forth in subsection (b), and which the *Director shall grant* if the Director authorizes an inter partes review to *be instituted on the subsequent petition* under section 314.

“(2) JOINED PARTY.—*Any person joined as a party* to an inter partes review, and any real party in interest or any privy of such person, *shall be estopped* under this subsection and subsections (c)(1) and (e)(2) *to the same extent* as if that person, real party in interest, or privy had been the first petitioner in that inter partes review.”

Estoppel:

- Estoppel will preclude with respect to patent (not just asserted claims) “on any ground... raised or reasonably could have been raised” – unless post filing infringement charge of “additional claims” and “subsequent petition” is for “only the additional claims of the patent” by RPI “later charged with infringement”
- Allows for joinder of “subsequent petition” for “additional claims” – any person joined is estopped to the same extent

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Sec. 4. INTER PARTES REVIEW

(c) Eliminating Repetitive Proceedings.—

(1) IN GENERAL.—Section 315 of title 35, United States Code, is amended—

“(g) **Federal Court And International Trade Commission Validity Determinations.**—An inter partes review of a patent claim ***may not be instituted or maintained if, in a civil action*** arising in whole or in part under section 1338 of title 28, or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 ([19 U.S.C. 1337](#)), in which the petitioner, a real party in interest, or a privy of the petitioner is ***a party, the court, or the International Trade Commission, as applicable, has entered a final judgment that decides a challenge to the validity of the patent claim with respect to any ground described in section 311(b).***”.

District Court and ITC proceeding:

- No IPR instituted or maintained if petitioner has been subject to final judgement that decides challenge to validity of patent claims described under section 311(b) ((i.e., “section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”))

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

(1) in subsection (a)—

“(5) setting forth ***standards and procedures for discovery of relevant evidence***, including that such discovery shall be limited to—

“(A) the ***deposition of witnesses submitting affidavits or declarations***;

“(B) evidence ***identifying the real parties in interest*** of the petitioner; and

“(C) what is ***otherwise necessary in the interest of justice***.”;

Conduct of proceeding:

- “standards and procedures for discovery of relevant evidence”
limiting discovery to:
 - **Deposition of declarant witnesses**
 - **Evidence identify RPI** (not mentioning “privies”)
 - **Catchall** – “otherwise necessary in the **interest of justice**”

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

(1) in subsection (a)—

“(9) setting forth standards and procedures for—

“(A) allowing the patent owner to **move to amend** the patent under subsection (d) to **cancel a challenged claim** or propose ***a reasonable number of substitute claims***;

“(B) allowing the Patent Trial and Appeal Board to provide ***guidance on substitute claims*** proposed by the patent owner;

“(C) allowing the patent owner to ***further revise proposed substitute claims after the issuance of guidance*** described in subparagraph (B); and

“(D) ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d), and any guidance issued by the Patent Trial and Appeal Board, is ***made available to the public*** as part of the prosecution history of the patent;”;

Conduct of proceeding:

- Motion to amend
 - Limited to “cancel a **challenged claim**” or propose “a **reasonable number of substitute claims**”
 - Allow **PTAB guidance** and **further revisions** by patent owner based on guidance
 - Requiring **public record** of back and forth

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

(1) in subsection (a)—

“(14) setting forth the standards for demonstrating exceptional circumstances under sections 303(e)(1) and 315(e)(2).”;

Conduct of proceeding:

- Set forth standard for “exceptional circumstances” regarding multiple proceedings (filing a second IPR (315(e)(2) or reexam((303(e)(1)))

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

“(e) Evidentiary Standards.—

“(1) PRESUMPTION OF VALIDITY.—The **presumption of validity under section 282(a)** shall apply to previously issued claims of a patent that is challenged **in a post-grant review** under this chapter.

“(2) BURDEN OF PROOF.—In a post-grant review under this chapter—

“(A) the petitioner shall have the **burden of proving** a proposition of **unpatentability of a previously issued claim of a patent by clear and convincing evidence**; and

“(B) the petitioner shall have the **burden of persuasion**, by a **preponderance of the evidence**, with respect to a proposition of unpatentability for **any substitute claim** proposed by the patent owner.”

Conduct of proceeding:

- Presumption of Validity and clear and convincing standard for previously issued claim
- Preponderance of evidence for any substitute claim

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

“(e) Evidentiary Standards.—

“(1) PRESUMPTION OF VALIDITY.—The **presumption of validity under section 282(a)** shall apply to previously issued claims of a patent that is challenged **in a post-grant review** under this chapter.

“(2) BURDEN OF PROOF.—In a post-grant review under this chapter—

“(A) the petitioner shall have the **burden of proving** a proposition of **unpatentability of a previously issued claim of a patent by clear and convincing evidence**; and

“(B) the petitioner shall have the **burden of persuasion**, by a **preponderance of the evidence**, with respect to a proposition of unpatentability for **any substitute claim** proposed by the patent owner.”

Conduct of proceeding:

- Presumption of Validity and clear and convincing standard for previously issued claim
- Preponderance of evidence for any substitute claim

Unclear why “burden of proof” only applies to previously issued claim and no “burden of proof” for substitute claims, and

Why “burden of persuasion” only applies to substitute claims and no burden of persuasion for previously issued claims

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

“(f) **Claim Construction.**—For the purposes of this chapter—

“(1) each challenged claim of a patent, and each substitute claim proposed in a motion to amend, shall be **construed as the claim would be construed under section 282(b) in an action to invalidate a patent**, including by construing each such claim in accordance with—

“(A) the **ordinary and customary meaning of the claim** as understood by a person having ordinary skill in the art to which the claimed invention pertains; and

“(B) **the prosecution history** pertaining to the patent; and

“(2) if a court has previously construed a challenged claim of a patent or a challenged claim term in a civil action to which the patent owner was a party, the Office **shall consider that claim construction.**”.

Conduct of proceeding:

- Claim Construction: PTAB will apply same standard as in litigation or DJ action under 282(b), but only identifies “ordinary and customary meaning of the claim” as understood by POSITA, and prosecution history.
- PTAB must consider prior claim constructions in litigation.

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Sec. 4. INTER PARTES REVIEW

(d) **Conduct Of Inter Partes Review.**—Section 316 of title 35, United States Code, is amended—

“(f) **Claim Construction.**—For the purposes of this chapter—

“(1) each challenged claim of a patent, and each substitute claim proposed in a motion to amend, shall be **construed as the claim would be construed under section 282(b) in an action to invalidate a patent**, including by construing each such claim in accordance with—

“(A) the **ordinary and customary meaning of the claim** as understood by a person having ordinary skill in the art to which the claimed invention pertains; and

“(B) **the prosecution history** pertaining to the patent; and

“(2) if a court has previously construed a challenged claim of a patent or a challenged claim term in a civil action to which the patent owner was a party, the Office **shall consider that claim construction.**”.

Conduct of proceeding:

- Claim Construction: PTAB will apply same standard as in litigation or DJ action under 282(b), but only identifies “ordinary and customary meaning of the claim” as understood by POSITA, and prosecution history.

- Omits use of “specification” and patentee may be own “lexicographer”

aim

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Sec. 4. INTER PARTES REVIEW

(e) **Settlement.**—Section 327(a) of title 35, United States Code, is amended by striking the second sentence.

(a) In General.—

A post-grant review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. ~~If the post-grant review is terminated with respect to a petitioner under this section, no estoppel under section 325(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that post-grant review.~~ If no petitioner remains in the post-grant review, the Office may terminate the post-grant review or proceed to a final written decision under section 328(a).

Conduct of proceeding:

Settlement of PGR's would now result in estoppel

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Sec. 4. INTER PARTES REVIEW

(f) **Timing To Issue Trial Certificates And Decisions On Rehearing.**—Section 328 of title 35, United States Code, is amended—

(b) Certificate.—If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall, **not later than 60 days after the date on which the parties to the post-grant review have informed the Director that the time for appeal has expired or any appeal has terminated,** issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

Timing of Certificate:

Placing 60-day time limit to issue certificate from when parties notify PTAB of expiration of time to appeal or termination of appeal

S.2220: Prevail Act

Sec. 4. INTER PARTES REVIEW

(f) Timing To Issue Trial Certificates And Decisions On Rehearing.—Section 328 of title 35, United States Code, is amended—

(e) Rehearing.—Not later than 90 days after the date on which a request for rehearing of a final written decision issued by the Patent and Trial Appeal Board under subsection (a) is filed, the Board or the Director shall finally decide any request for reconsideration, rehearing, or review that is submitted with respect to the decision, except that the Director may, for good cause shown, extend that 90-day period by not more than 60 days.

Timing of Certificate:

Placing 90-day time limit to decide request for rehearing of final written decision to finally decide request for reconsideration, rehearing, or review – but may extend the 90-day period by not more than 60 days for “good cause shown”

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Sec. 4. INTER PARTES REVIEW

(f) **Timing To Issue Trial Certificates And Decisions On Rehearing.**—Section 328 of title 35, United States Code, is amended—

“(f) **Review By Director.**—

“(1) **IN GENERAL.**—The Director *may* grant *rehearing, reconsideration, or review* of a decision by the Patent Trial and Appeal Board issued under this chapter.

“(2) **REQUIREMENTS.**—Any reconsideration, rehearing, or review by the Director, as described in paragraph (1), shall be issued in *a separate written opinion* that—

“(A) is made part of the *public record*; and

“(B) sets forth the *reasons* for the reconsideration, rehearing, or review of the decision by the Patent Trial and Appeal Board.”

Review by Director:

Authorizing Director to grant rehearing, reconsideration or review, which is issued in a separate written opinion made part of the public record and sets forth reasons.

S.2220: Prevail Act

Sec. 4. INTER PARTES REVIEW

(f) Timing To Issue Trial Certificates And Decisions On Rehearing.—Section 328 of title 35, United States Code, is amended—

“(g) Rule Of Construction.—For the purposes of an appeal permitted under section 141, any decision on rehearing, reconsideration, or review of a final written decision of the Patent Trial and Appeal Board under subsection (a) of this section that is issued by the Director shall be deemed to be a final written decision of the Patent Trial and Appeal Board.”.

Review by Director:

Any decision on rehearing, reconsideration or review of FWD shall be deemed FWD for purposes of appeal timing.

S.2220: Prevail Act

Sec. 4. INTER PARTES REVIEW

(g) Timing To Issue Decisions On Remand.—Section 329 of title 35, United States Code, is amended—

“(b) Timing On Remand After Appeal.—Not later than 120 days after the date on which a mandate issues from the court remanding to the Patent Trial and Appeal Board after an appeal under subsection (a), the Board or the Director shall finally decide any issue on remand, except that the Director may, for good cause shown, extend that 120-day period by not more than 60 days.”.

Review by Director:

Placing 120-day time limit on decision on remand from mandate, with extension for “good cause shown” up to not more than 60-days than the 120-days.

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Sec. 6. Reexamination of Patents

35 U.S. Code § 302 - Request for reexamination

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301. The request must be in writing and must be accompanied by payment of a reexamination fee established by the Director pursuant to the provisions of section 41. **The request must identify all real parties in interest and certify that reexamination is not barred under section 303(d).** The request must set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Director promptly will send a copy of the request to the owner of record of the patent.

RPIs in Reexam

Request must identify all RPI and certified not barred by IPR.

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Sec. 6. Reexamination of Patents

35 U.S. Code § 303 - Determination of issue by Director

(a) Within three months following the filing of a request for reexamination under the provisions of section 302, the Director will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On his own initiative, and any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provisions of section 301 or 302. ~~The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.~~

Substantial New Question of Patentability

-- removing old test regarding previously cited art

S.2220: Prevail Act

Sec. 6. Reexamination of Patents

35 U.S. Code § 303 - Determination of issue by Director

“(d) An ex parte reexamination may not be ordered if the request for reexamination is filed ***more than 1 year after the date on which*** the requester or a real party in interest or a privy of the requester is ***served with a complaint alleging infringement of the patent***. For purposes of this chapter, a person that directly or through an affiliate, subsidiary, or proxy makes ***a financial contribution to the preparation for, or conduct during,*** an ex parte reexamination on behalf of a requester shall be considered a real party in interest of the requester.

New 1 year Bar Date and RPI limitation

S.2220: Prevail Act

Sec. 6. Reexamination of Patents

35 U.S. Code § 303 - Determination of issue by Director

“(e) In determining whether to order an ex parte reexamination, the Director—

“(1) ***shall***, unless the Director determines that the requestor has demonstrated ***exceptional circumstances, reject*** any request that presents prior art or an argument that is the ***same or substantially the same as prior art or an argument that previously was presented to the Office***; and

“(2) may reject any request that the Director determines has ***used a prior Office decision as a guide to correct or bolster a previous deficient request*** filed under this chapter or a previous deficient petition filed under chapter 31 or 32.”.

Ex Parte Reexams limited:

- Unless exceptional circumstances – only new prior art or new arguments
- May reject if used prior Office decision as a guide to correct or bolster a previously deficient request

S.2220: Prevail Act

Sec. 6. Reexamination of Patents

35 U.S. Code § 304 - Reexamination order by Director

If, in a determination made under the provisions of subsection 303(a), the Director finds that a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question“, ***unless the Director determines that the request for reexamination should be rejected under subsection (d) or (e) of section 303, in which case the Director shall issue an order denying reexamination.*** The patent owner will be given a reasonable period, not less than two months from the date a copy of the determination is given or mailed to him, within which he may file a statement on such question, including any amendment to his patent and new claim or claims he may wish to propose, for consideration in the reexamination. If the patent owner files such a statement, he promptly will serve a copy of it on the person who has requested reexamination under the provisions of section 302. Within a period of two months from the date of service, that person may file and have considered in the reexamination a reply to any statement filed by the patent owner. That person promptly will serve on the patent owner a copy of any reply filed.

Confirming no Reexamination to be initiated if prior conditions are not met

S.2220: Prevail Act

Sec. 7. Elimination of Fee Diversion

Sec. 8. Institution of Higher Education

(Making micro entities)

Sec. 9. Assisting small businesses

Eliminate fee diversion

Makes inventors from Institutions of Higher Education micro entities

Implements programs to help small businesses

Key Concepts

- **RPI requirement** – tied to financial support
- **Code of Conduct and Transparency Limitations**
- **No Supervisory Communications**
- **Timing** tightened – but no consequence provision included
- **Joinder** – allowing for late joinder but precluding benefit of such joinder
- **Discovery** – limited to deposition of declarant and RPI discovery, but keeps vague “necessary in interest of justice” provision
- **Motion to Amend** – tightens but has some gaps
- **Presumption of Validity** – adopted for previously issued patents – but a bit confusing on Burden of Proof vs. Burden of Persuasion
- **Claim Construction** – adopts court construction – but has gaps – e.g., patentee acting as own lexicographer, and reliance on specification
- **Estoppel** – bolstered
- **Director Review** – codified
- **Reexam** – limited scope of availability
- **Other** – eliminates fee diversions, make University inventors micro entities, and offers some assistance for small businesses

Questions