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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To amend title 35, United States Code, to add procedural requirements for patent infringement suits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. JEFFRIES introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 35, United States Code, to add procedural requirements for patent infringement suits, 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 Litigation and
5 Innovation Act of 2013”.

1 **SEC. 2. PLEADING REQUIREMENTS.**

2 (a) IN GENERAL.—Chapter 29 of title 35, United
3 States Code, is amended by inserting after section 281 the
4 following:

5 **“§ 281A. Pleading requirements for patent infringe-**
6 **ment actions**

7 “In a civil action arising under any Act of Congress
8 relating to patents, a party alleging infringement shall in-
9 clude in the initial complaint, counterclaim, or cross-claim
10 for patent infringement—

11 “(1) an identification of each patent allegedly
12 infringed;

13 “(2) an identification of each claim of each pat-
14 ent identified under paragraph (1) that is allegedly
15 infringed;

16 “(3) for each claim identified under paragraph
17 (2), an identification of each accused apparatus,
18 product, feature, device, method, system, process,
19 function, act, service, or other instrumentality (re-
20 ferred to in this section as an ‘accused instrumen-
21 tality’) alleged to infringe the claim;

22 “(4) for each accused instrumentality identified
23 under paragraph (3), an identification with particu-
24 larity, if known, of—

25 “(A) the name or model number of the ac-
26 cused instrumentality; and

1 “(B) the name of each accused method,
2 system, process, function, act, or service, or the
3 name or model number of each apparatus,
4 product, feature, or device that, when used, al-
5 legedly results in the practice of the claimed in-
6 vention;

7 “(5) for each accused instrumentality identified
8 under paragraph (3), an explanation of—

9 “(A) where each element of each asserted
10 claim identified under paragraph (2) is found
11 within the accused instrumentality;

12 “(B) whether each such element is in-
13 fringed literally or under the doctrine of equiva-
14 lents; and

15 “(C) with detailed specificity, how the
16 terms in each asserted claim identified under
17 paragraph (2) correspond to the functionality of
18 the accused instrumentality;

19 “(6) for each claim that is alleged to have been
20 infringed indirectly, a description of—

21 “(A) the direct infringement;

22 “(B) any person alleged to be a direct in-
23 fringer known to the party alleging infringe-
24 ment; and

1 “(C) the acts of the alleged indirect in-
2 fringer that contribute to or are inducing the
3 direct infringement;

4 “(7) a description of the right of the party al-
5 leging infringement to assert each—

6 “(A) patent identified under paragraph
7 (1); and

8 “(B) patent claim identified in paragraph
9 (2);

10 “(8) a description of the principal business of
11 the party alleging infringement;

12 “(9) the identity of any person, other than the
13 party alleging infringement, who is known to the
14 party alleging infringement, and who—

15 “(A) owns or co-owns a patent identified
16 under paragraph (1);

17 “(B) is the assignee of a patent identified
18 under paragraph (1); or

19 “(C) is an exclusive licensee to a patent
20 identified under paragraph (1); and

21 “(10) the identity of any person, other than the
22 party alleging infringement, who is known to the
23 party alleging infringement, and who has a legal or
24 financial right to enforce a patent identified under
25 paragraph (1).”.

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—
2 The table of sections for chapter 29 of title 35, United
3 States Code, is amended by inserting after the item relat-
4 ing to section 281 the following:

“281A. Pleading requirements for patent infringement actions.”.

5 (c) REVIEW OF FORM 18.—Not later than 12 months
6 after the date of the enactment of this Act, the Supreme
7 Court shall review and amend Form 18 of the Federal
8 Rules of Civil Procedure to ensure that Form 18 is con-
9 sistent with the requirements under section 281A of title
10 35, United States Code, as added by subsection (a).

11 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion or the amendments made by this section shall be con-
13 strued to alter existing law or rules relating to joinder.

14 **SEC. 3. JOINDER OF INTERESTED PARTIES.**

15 Section 299 of title 35, United States Code, is
16 amended by adding at the end the following:

17 “(d) JOINDER OF INTERESTED PARTIES.—

18 “(1) DEFINITION.—In this subsection, the term
19 ‘interested party’, with respect to a civil action aris-
20 ing under any Act of Congress relating to patents—

21 “(A) means a person described in para-
22 graph (9) or (10) of section 281A; and

23 “(B) does not include an attorney or law
24 firm providing legal representation in the action
25 if the sole basis for the financial interest of the

1 attorney or law firm in the outcome of the ac-
2 tion arises from an agreement to provide that
3 legal representation.

4 “(2) JOINDER OF INTERESTED PARTIES.—In a
5 civil action arising under any Act of Congress relat-
6 ing to patents, the court shall grant a motion by a
7 party defending an infringement claim to join an in-
8 terested party if the defending party files the motion
9 to join within 120 days after the first complaint, an-
10 swer, or counterclaim and shows that the interest of
11 the plaintiff in any patent identified in the com-
12 plaint, including a claim asserted in the complaint,
13 is limited primarily to asserting any such patent
14 claim in litigation.

15 “(3) LIMITATION ON JOINDER.—The court may
16 deny a motion to join an interested party under
17 paragraph (2) if—

18 “(A) the interested party is not subject to
19 service of process; or

20 “(B) joinder under paragraph (2) would
21 deprive the court of subject matter jurisdiction
22 or make venue improper.”.

1 **SEC. 4. STAY OF ACTION AGAINST SECONDARY PARTIES.**

2 (a) IN GENERAL.—Chapter 29 of title 35, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 **“§ 300. Stay of action against secondary parties**

6 “(a) STAY OF ACTION.—

7 “(1) IN GENERAL.—In any civil action arising
8 under any Act of Congress relating to patents, the
9 court shall grant a motion to stay all or part of the
10 action as to a secondary party with respect to in-
11 fringement related to a primary party in the same
12 or another action concerning the same apparatus,
13 product, feature, device, method, system, process,
14 function, act, service, or other instrumentality, in
15 whole or in relevant part, of the disputed patent of
16 the primary party, if—

17 “(A) the primary and secondary parties
18 consent to the stay in writing;

19 “(B) the motion is filed not later than 120
20 days after service of the first complaint in the
21 action of the primary party that is asserted as
22 the basis for the secondary party’s alleged in-
23 fringement; and

24 “(C) the secondary party agrees to be
25 bound by any judgment entered against the pri-
26 mary party to the same extent as such primary

1 party may be bound with respect to issues that
2 the primary and secondary parties have in com-
3 mon.

4 “(2) TREATMENT OF SECONDARY PARTY.—

5 During a stay under paragraph (1), the secondary
6 party shall be treated as a nonparty to the action
7 against the primary party for purposes of discovery,
8 hearings, trial, or otherwise. The stay shall continue
9 until such time that a final adjudication in the ac-
10 tion against the primary party has been entered and
11 all appeals thereof exhausted.

12 “(b) OTHER AUTHORITY NOT AFFECTED.—Nothing
13 in this section shall be construed as abrogating a court’s
14 discretion to grant any stay or expand any stay granted
15 pursuant to this section where otherwise permitted by law.

16 “(c) DEFINITIONS.—In this section:

17 “(1) PRIMARY PARTY.—The term ‘primary
18 party’ means a person who manufactures or sup-
19 plies, or causes the manufacture or supply of, an ap-
20 paratus, product, feature, device, method, system,
21 process, function, act, service, or other instrumen-
22 tality, in whole or in material part—

23 “(A) that is alleged to infringe a patent in
24 dispute; or

1 “(B) that uses a process alleged to infringe
2 a patent in dispute.

3 “(2) SECONDARY PARTY.—The term ‘secondary
4 party’ means a party accused of infringing a patent
5 in dispute based on the use, distribution, resale, or
6 consumption of a product or process by a primary
7 party.”.

8 (b) CONFORMING AMENDMENT.—The table of sec-
9 tions for chapter 29 of title 35, United States Code, is
10 amended by adding at the end the following:

 “300. Stay of action against secondary parties.”.

11 **SEC. 5. STAY OF DISCOVERY.**

12 (a) IN GENERAL.—Chapter 29 of title 35, United
13 States Code, is amended by adding at the end the fol-
14 lowing:

15 **“§ 300A. Stay of discovery in patent infringement**
16 **suits**

17 “(a) IN GENERAL.—Except as provided in sub-
18 sections (b) and (c), in a civil action arising under any
19 Act of Congress relating to patents —

20 “(1) the court shall stay discovery until after
21 the court has ruled on—

22 “(A) any motion to dismiss the action; and

23 “(B) any motion to transfer venue of the
24 action; and

1 “(2) if the court determines that a ruling relat-
2 ing to the construction of terms used in a patent
3 claim asserted in the complaint in the action is re-
4 quired, the court shall stay discovery until after the
5 court has made the ruling.

6 “(b) EXCEPTION.—Notwithstanding subsection (a),
7 the court may, in an action described in that subsection,
8 allow discovery to the extent necessary for the court to
9 make the ruling under paragraph (1) or (2) of that sub-
10 section, as the case may be.

11 “(c) DISCRETION TO EXPAND SCOPE OF DISCOVERY
12 IN EXTRAORDINARY CIRCUMSTANCES.—If, under any pro-
13 vision of Federal law (including the Drug Price Competi-
14 tion and Patent Term Restoration Act (Public Law 98–
15 417)), the court determines that extraordinary cir-
16 cumstances exist because resolution within a specified pe-
17 riod of time of a civil action arising under any Act of Con-
18 gress relating to patents will have an automatic impact
19 upon the rights of a party with respect to the patent, the
20 court may permit discovery in addition to the discovery
21 authorized under subsection (b) before the ruling de-
22 scribed in subsection (b) as necessary to ensure timely res-
23 olution of the action.

24 “(d) PRESERVATION OF EVIDENCE.—

1 “(1) IN GENERAL.—During the pendency of
2 any stay of discovery under this section, unless oth-
3 erwise ordered by the court, any party to the action
4 with actual notice of the allegations contained in the
5 complaint shall treat all documents, data compila-
6 tions (including electronically recorded or stored
7 data), and tangible objects that are in the custody
8 or control of such person and that are relevant to
9 the allegations, as if they were the subject of a con-
10 tinuing request for production of documents from an
11 opposing party under the Federal Rules of Civil Pro-
12 cedure.

13 “(2) SANCTION FOR WILLFUL VIOLATION.—A
14 party aggrieved by the willful failure of an opposing
15 party to comply with paragraph (1) may apply to
16 the court for an order awarding appropriate sanc-
17 tions.”.

18 (b) CONFORMING AMENDMENT.—The table of sec-
19 tions for chapter 29 of title 35, United States Code, is
20 amended by adding at the end the following:

“300A. Stay of discovery in patent infringement suits.”.

21 **SEC. 6. SANCTIONS FOR ABUSIVE LITIGATION.**

22 (a) IN GENERAL.—Chapter 29 of title 35, United
23 States Code, is amended by adding at the end the fol-
24 lowing:

1 **“§ 300B. Sanctions for abusive litigation**

2 “(a) MANDATORY REVIEW BY COURT.—In any civil
3 action arising under any Act of Congress relating to pat-
4 ents, upon final adjudication of the action, the court shall
5 include in the record specific findings regarding compli-
6 ance by each party and each attorney representing any
7 party with each requirement of Rule 11(b) of the Federal
8 Rules of Civil Procedure as to any complaint, responsive
9 pleading, or dispositive motion.

10 “(b) SANCTIONS.—If the court makes a finding
11 under subsection (a) that a party or attorney violated any
12 requirement of Rule 11(b) of the Federal Rules of Civil
13 Procedure as to any complaint, responsive pleading, or dis-
14 positive motion, the court may impose sanctions on such
15 party or attorney in accordance with Rule 11 of the Fed-
16 eral Rules of Civil Procedure. Before making a finding
17 that any party or attorney has violated Rule 11 of the
18 Federal Rules of Civil Procedure, the court shall give such
19 party or attorney notice and an opportunity to respond.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) TABLE OF CONTENTS.—The table of sec-
22 tions for chapter 29 of title 35, United States Code,
23 is amended by adding at the end the following:

“300B. Sanctions for abusive litigation.”.

24 (2) AWARD OF ATTORNEYS FEES IN EXCEP-
25 TIONAL CASES.—Section 285 of title 35, Untied

1 States Code, is amended by striking “The court”
2 and inserting “Subject to section 300B(b), the
3 court”.

4 **SEC. 7. EFFECTIVE DATE.**

5 This Act and the amendments made by this Act shall
6 apply to civil actions commenced on or after the date of
7 the enactment of this Act.