

AMENDMENT NO. _____ Calendar No. _____

Purpose: To establish the burden of proof for any party advancing the proposition that a patent should be cancelled or held unenforceable due to inequitable conduct in any proceeding before the USPTO.

IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.

S. 1145

To amend title 35, United States Code, to provide for patent reform.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. LEAHY

Viz:

1 On page 51, after line 24, insert the following:

2 **SEC. 16. INEQUITABLE CONDUCT.**

3 Chapter 29 of title 35, United States Code, is amend-
4 ed by adding at the end the following new section:

5 **“§ 298. Inequitable conduct**

6 “(a) IN GENERAL.—A party advancing the propo-
7 sition that a patent should be cancelled or held unenforce-
8 able due to inequitable conduct in connection with a mat-
9 ter or proceeding before the United States Patent and

1 Trademark Office shall prove independently by clear and
2 convincing evidence that material information was mis-
3 represented or omitted from the patent application with
4 the intention of deceiving the Office.

5 “(b) MATERIALITY.—Information shall be considered
6 material for purposes of subsection (a) if—

7 “(1) a reasonable patent examiner would con-
8 sider such information important in deciding wheth-
9 er to allow the patent application; and

10 “(2) such information is not cumulative to in-
11 formation already of record in the application.

12 “(c) INTENT.—Intent to deceive the Office may be
13 inferred under subsection (a), but the inference may not
14 be based solely on the gross negligence of the patent owner
15 or its representative, or on the materiality of the informa-
16 tion misrepresented or not disclosed.

17 “(d) PLEADING.—In actions involving allegations of
18 inequitable conduct before the Office, the party asserting
19 the defense or claim shall comply with the pleading re-
20 quirements set forth under Federal Rules of Civil Proce-
21 dure 9(b).

22 “(e) REMEDIES.—If the court finds both that mate-
23 rial information was misrepresented to, or withheld from,
24 the Office and an intent to deceive, after balancing the

1 equities, the court, using its discretion, shall impose 1 or
2 more of the following remedies as it deems appropriate:

3 “(1) Hold the patent unenforceable.

4 “(2) Hold 1 or more claims of the patent unen-
5 forceable.

6 “(3) Order that the patentee is not entitled to
7 equitable relief and that the sole and exclusive rem-
8 edy for infringement of the patent shall be a reason-
9 able royalty.”.