Patent Public Advisory Committee
Quarterly Meeting

Legislative/Governmental Affairs Update

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August 3, 2017
Congressional Activity – Calendar

115th Congress (first session)

- Senate plans to stay in session the first two weeks of August
- House still plans to take the entire August recess

Source: National Journal
Congressional Activity – Calendar
115th Congress (first session)

• FY 2017 ends on September 30, 2017.
• Debt ceiling expires in mid-October per Congressional Budget Office (CBO).

• Expected Legislative Agenda for the remainder of 2017:
  • Appropriations Bills
  • FY 2018 Budget
  • NAFTA Renegotiations
  • FAA Authorization
  • Tax Reform
  • Affordable Care Act (??)
Introduced Legislation
115th Congress (first session)

Support Technology and Research for our Nation’s Growth and Economic Resilience (STRONGER) Patents Act of 2017 (S. 1390)

- Introduced on June 21, 2017 by Sen. Coons (D-DE) and co-sponsors Sen. Cotton (R-AR), Sen. Durbin (D-IL), and Sen. Hirono (D-HI)
- Incorporates almost all of the provisions from the STRONG Patents Act of 2015 (S. 632) with some changes and some new provisions
  - The STRONG Act was a counterpoint to the Innovation Act (H.R. 9)
  - The STRONGER Act is broader and more comprehensive:
    - Severely curbs the power and reach of IPRs and PGRs
    - Expands scope of infringement (271(f))
    - Restores injunctive relief (overturns eBay)
STRONG vs. STRONGER (Same Provisions)

• Proposes changes to PTAB:
  ✓ Changes claim construction standard (same as district court)
  ✓ Changes burden of proof (to clear and convincing)
  ✓ Limits standing (sued or charged with infringement)
  ✓ Changes composition of panels (different institution and review panels)

• Ensures that USPTO retains all fees collected (revolving fund)
• Expands micro-entity status for universities
• Targets additional patent resources for small businesses
• Seeks to address demand letter abuse
STRONG vs. STRONGER (New/Amended Provisions)

- Proposes additional changes to PTAB
  - Changes definition of real party interest
  - Creates interlocutory appeal of institution decision
  - Limits IPR/PGR review of claim to one time
  - Broadens scope of estoppel
  - Gives priority to federal court validity determinations
  - Creates new processes for amendment of claims
- Restores injunctive relief (*eBay*)
- Makes changes to infringement
  - Changes standards to prove induced and contributory infringement
  - Expands scope of infringement under 271(f) (outsourcing/foreign manufacturing)
Congressional Hearing Activity
115th Congress (first session)


• Despite the Supreme Court’s decision, Congress appears to agree that additional patent litigation reform may be necessary, including additional changes to the venue statute (especially what defines a regular and established place of business) as well as other reform related to issues such as customer and discovery stays, §101, and expanding the patent pilot program.

• Witnesses:
  o Mr. Steven Anderson, Vice President & General Counsel, Culver Franchising System, Inc.
  o Prof. Colleen Chien, Professor, Santa Clara University School of Law
  o Prof. Adam Mossoff, Professor, Antonin Scalia Law School, George Mason University
  o Mr. John Thorne, Partner, Kellogg, Hansen, Todd, Figel & Frederick, P.L.L.C.
Congressional Hearing Activity

115th Congress (first session)


• Witnesses at this second hearing on patent issues this session testified that abusive litigation practices continue to cause problems for American entrepreneurs and businesses trying to play by the rules.

• Witnesses:
  o Mr. Tom Lee, Mapbox
  o Hon. Paul Michel, Former Chief Judge, U.S. Court of Appeals for the Federal Circuit
  o Mr. Sean Reilly, Senior Vice President and Associate General Counsel, The Clearing House
  o Ms. Julie Samuels, President of the Board of Directors, Engine
None of the witnesses advocated that Congress take legislative action, but that recent developments should work themselves out both in the courts and at the PTO.

While the America Invents Act (AIA) and recent Supreme Court decisions did much to address abusive patent litigation, problems remain. All of the witnesses agreed that the post-grant proceeding at the PTO have helped with this problem by weeding out poor quality patents and are an important and necessary tool in combating “bad” patents.

To the extent that Congress was inclined to act, one witness urged clarification on Section 101 and the “regular and established place of business” in venue, while another urged clarification of the scope of CBM in light of Secure Axcess.
USPTO Hill Staff Briefing on Recent Supreme Court Decisions on Intellectual Property
(July 20, 2017) – Senate Dirksen Office Building

• USPTO provided a brief overview to Senate Judiciary Committee staff on some of the Supreme Court decisions issued this term and their legal and practical impact.

• The cases that were covered include Matal v. Tam (trademarks); TC Heartland v Kraft (venue); and Impression Products v. Lexmark (patent exhaustion).

• USPTO also provided a brief overview of the issues that will be argued next term before the Supreme Court relating to the USPTO’s post-grant proceedings established by the Leahy-Smith America Invents Act.

Additional Staff Briefings and events planned for this fall.
Congressional Events
115th Congress (first session)

Congressional Manufacturing Caucus Staff Briefing
June 15, 2017

- Held at the Capitol Visitors Center
- Speakers from USPTO, SBA, a small company/SBIR grantee, private attorney
- 50+ congressional staff/attendees
Questions and Comments

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USPTO’s Office of Governmental Affairs: Overview

Structure: 10 Staff (mix of attorneys and non-attorneys)

Core Mission

Represent USPTO on Capitol Hill

(Advance PTO’s legislative agenda, prepare testimony, brief staff, provide technical advice)

Respond to Requests from Members of Congress and Facilitate Clearance

(constituent issues, clear IP policy documents within the Administration)

Build Relationships and Maintain Goodwill with Elected Officials

(Support regional office engagement, build fed/state relationships & stakeholder outreach)