

The STRONGER Patents Act of 2019

Support Technology & Research for Our Nation's Growth and Economic Resilience

SECTION BY SECTION

Section 101 – Findings

Section 102 & 103 – *Inter Partes* Reviews and Post Grant Reviews

- Section A: **Claim Construction** – This harmonizes the standard used in post-issuance proceedings at the Patent Trial and Appeal Board (PTAB) with the standard used in district court litigation, codifying a recent U.S. Patent and Trademark Office (USPTO) rule change to permanently reduce gamesmanship.
- Section B: **Burden of Proof** – This harmonizes the PTAB standard with that used in district courts, where “clear and convincing” evidence is needed to invalidate a patent. This standard gives appropriate deference to the USPTO’s initial expert examination and issuance of a patent, which is relied upon by inventors, patent owners, and investors.
- Section C: **Standing Requirement in PTAB Proceedings** – Just like in district courts, a standing requirement in PTAB proceedings ensures that a petitioner has a business or financial reason to challenge the validity of a patent, reducing incentives for privateering or extortion of nuisance settlements. The standing requirement for *inter partes* reviews is the same as in the district court, while it is more relaxed for post-grant reviews, to encourage earlier, timely challenges to a patent’s validity.
- Section D: **Quiet Title** – Patents are often the basis on which research and development investments are made. Repeated attacks on patents that have *already been reconsidered* by the USPTO undermine the integrity of the patent system, and consequently, this provision allows the USPTO to initiate review only once per claim of a patent.
- Section E: **Reviewability of Institution Decisions** (*new*) – The decision to institute is a critical step in post-issuance proceedings, but many of these critical issues – such as whether the petitioner waited too long to file the challenge – are not reconsidered by the PTAB at the end of the proceedings. Therefore, it is crucial that the reviewing court be able to review these institution decision issues to create consistent standards that all 250+ PTAB judges will apply. This section codifies *WiFi One v. Broadcom* (Fed. Cir. 2018) (en banc) and further clarifies which parts of an institution decision are reviewable.
- Section F: **Eliminating Repetitive Proceedings at PTAB** – Petitioners can only file one petition to challenge a patent, unless they are later charged with infringement of additional claims. This encourages petitioners to bring their complete case all at once.
- Section F: **Eliminating Redundancy with District Courts** – If an *inter partes* review is instituted, the petitioner cannot bring validity challenges of the same type in district court. Only one forum should examine the often-complicated question of whether an invention is truly new and non-obvious based on earlier scientific publications or patents.

- **Section G: Real-Party-in-Interest** – This establishes that any entity financially contributing to a PTAB validity challenge is a real-party-in-interest who cannot bring future challenges, ensuring that no entity can make multiple PTAB challenges as a silent financial contributor. Discovery is allowed to ensure compliance with this provision.
- **Section H: Priority of Federal Court Validity Determinations** – This clarifies that if a district court reviews the validity of a patent before the PTAB, the post-issuance proceeding should not start, or should be paused pending appeal. This helps to prevent a duplicate review in the PTAB after a district court has made a decision.

Section 104 – Composition of PGR and IPR Panels

Establishes that PTAB judges who decide whether to *permit* a post-grant proceeding are distinct from those who will decide the *outcome* of the proceeding.

Section 105 – Re-Examination of Patents

Harmonizes treatment of re-examination proceedings with the treatment of *inter partes* review proceedings to provide clear guidelines for treatment of parallel post-grant proceedings.

Section 106 – Restoration of Patents as Property Rights

Restores the presumption of injunctive relief upon a finding that a patent is valid and infringed.

Section 107 – Elimination of USPTO Fee Diversion

Eliminates fee diversion through the establishment of a new USPTO revolving fund in the U.S. Treasury. Adequate, dependable funding is critical for timely, high-quality patents.

Section 108 – Institutions of Higher Education

Clarifies that universities qualify as micro-entities under the *Leahy-Smith America Invents Act*.

Section 109 – Assisting Small Businesses in the U.S. Patent System

- *Small Business Administration Report* – Requires the SBA to draft two reports examining how small businesses rely on patents and the prevalence of abusive demand letters.
- *Expansion of Patent Pilot Program to Aid Small Business Defendants* – Aims to expedite cases for small businesses and individuals by providing more training and law clerks.
- *Expanded Access to Patent-Searching Databases* – Provides greater access to patent-searching databases currently available only in-person at public search facilities.

Title II – Targeting Rogue and Opaque Letters

Empowers the Federal Trade Commission to crack down on abusive, patent-related, demand letters. This section mirrors the bipartisan TROL (Targeting Rogue and Opaque Letters) Act that was reported favorably in the 113th Congress from the House Energy & Commerce Subcommittee on Commerce, Manufacturing, and Trade.