

Patent Transparency and Improvements Act of 2013

Transparency of Patent Ownership. Promotes transparency in patent ownership by requiring plaintiffs who file a patent case to disclose their beneficial owners using a well-established standard used by some federal courts. Requires patent holders to disclose transfers of interest in a patent to the Patent & Trademark Office (PTO).

Customer Stay. Protects customers who are targeted in infringement suits by allowing the case against them to be stayed while the manufacturer litigates the alleged infringement, provided that the customer and manufacturer both agree to the stay, the customer agrees to be bound by the outcome of the manufacturer suit on common issues that appropriately apply to the customer (a collateral estoppel effect), and the motion is made in a reasonable time frame. A party may petition to lift the stay if it would cause undue prejudice and manifest injustice.

Bad Faith Demand Letters. Makes clear that it is an unfair and deceptive trade practice that may be targeted by the FTC to engage in the widespread practice of sending fraudulent or materially misleading demand letters in connection with the assertion of a patent. The provision is crafted to target the “worst of the worst” and to avoid impinging on legitimate licensing activity.

Small business education, outreach, and information access. Directs the PTO to develop educational resources for small businesses that are targeted in patent suits and to ensure that the Office’s small business outreach programs provide support to victims of patent troll suits. Instructs PTO to create a section on its website that will list pending patent cases, so that recipients of demand letters and defendants in lawsuits can more easily identify ongoing litigation that may relate to their case.

Improved post-issuance procedures. Improves use of the Post-Grant Review program at PTO that allows parties to challenge patents after they issue. Provides that PTO’s Inter Partes Review and Post-Grant Review processes will use the same standard of interpretation as a district court when construing the validity of a patent.

Protection of Intellectual Property Licenses in Bankruptcy. Protects licensees of U.S. patents by making clear that U.S. courts will not recognize unilateral cancellation of a license to a U.S. patent or trademark if the licensor goes bankrupt.

Codification of the double-patenting doctrine. Helps innovators by ensuring that they may obtain a patent on a new invention that is substantially based on another patent they own, if they disclaim the right to enforce the new patent independently from the first patent. The measure helps protect inventors who improve their ideas, while ensuring that applicants do not abuse the system by simply filing variations on their patents to extend the length of their patent term.

Technical Corrections and Reports. Instructs the PTO and others to prepare reports on several issues, including the secondary market for patents; the use and resale of patents owned by the U.S. government; and patent quality and access to information during PTO’s examination.