




**CHIPs WOMEN IN IP GLOBAL SUMMIT**  
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## Policy and Patent Reform Panel

**October 2, 2014**

**Moderator:**  
**Emily Ward**  
 VP & Deputy General Counsel, Chief Technology Counsel, eBay

**Panelists:**

<p><b>Erika Harmon Arner</b>              Leader, Patent Office Practice Section, Finnegan, Henderson, Farabow, Garrett &amp; Dunner, LLP</p>	<p><b>Colleen V. Chien</b>              Senior Advisor to the CTO, Intellectual Property and Innovation</p>	<p><b>Alexandra Reeve Givens</b>              Senior Counsel, Senate Judiciary Committee – Chairman Senator Patrick Leahy</p>
<p><b>Rita Lari Jochum</b>              Deputy Staff Director and Chief Civil &amp; Intellectual Property Counsel to Senate Judiciary Committee, Ranking Member Senator Charles Grassley</p>	<p><b>Suzanne Drennon Munck</b>              Chief Counsel for Intellectual Property; Deputy Director, Office of Policy Planning, Federal Trade Commission</p>	<p><b>Rebecca Kelly Slaughter</b>              Chief Counsel to Senator Charles Schumer</p>

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# Legislative Patent Reform

**Heightened pleading requirements** - Provides for heightened pleading requirements in patent cases that will give defendants more information about the legal substance of the claims against them. The provision makes clear that if information required to be disclosed is not readily accessible to a party, allegations based on that information must be pled with as much specificity as practicable.

**Bad Faith Demand Letters** - Provision targets widespread sending of fraudulent or materially misleading demand letters, by making clear that engaging in such conduct is a deceptive trade practice that can be targeted by the FTC. A further proposal by Senator Schumer would delay a person's ability to file in court if they have sent an unduly vague demand letter. A further proposal included in the House bill provides that a vague letter cannot constitute "pre-suit notification" for purposes of establishing willfulness.

**Staying Cases Against Customers** - Allows case against the customer to be stayed while the manufacturer litigates the alleged infringement.

**Staying Discovery Until After Markman** - Creates a statutory presumption that discovery will be limited in patent suits before the Markman hearing. The court has judicial discretion to have an alternative plan for discovery if it finds that the alternative plan would be more efficient, cost-effective, or otherwise serve the interests of justice. Discovery needed for any motion properly considered prior to the Markman hearing will be available, and parties may exchange infringement contentions, validity contentions and responses at an appropriate time to narrow the issues in the case.

**Judicial Conference** - Directs the Judicial Conference to develop rules or procedures to address additional discovery issues in patent cases, including considering the concept of "core documents," discovery sequencing and scope. The provision invites the participation of patent experts and instructs the Conference to consider local patent rules and Model Orders in developing the rules and procedures described in the bill.

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**Fee Shifting** - Section 285 of the Patent Code currently provides for a non-prevailing party to pay reasonable attorneys' fees in "exceptional cases". Provisions considered in the Senate would change this standard so that a reasonable attorney's fee would be awarded if a court determines that the position or conduct of the non-prevailing party was not objectively reasonable.

**Veil-Piercing / Bond Requirement** - Proposals were considered to ensure that holding companies engaged primarily in the business of asserting and enforcing patents in litigation cannot make themselves "judgment-proof" from a potential attorneys fee award. The House bill allowed for piercing back to the plaintiff's ultimate parent entity. A proposal by Senator Hatch would create a category of Qualified Parties who would be required to certify that they have assets to pay a future attorneys fee award, or otherwise put forth a security payment.

**Standard for Inter Partes & Post Grant Review** - Maintaining the current "broadest reasonable interpretation" standard for claim terms in IPR or PGR proceedings or changing the standard used in those proceedings to the claim construction standard used by courts.

**Enhanced Patent Ownership Disclosure** - Requires patent holders to disclose patent ownership to US PTO whenever there is an assignment of interest in the patent that results in a change of ultimate parent entity. Additional provisions require disclosure of beneficial owner or real party in interest in a patent being asserted at the time a suit is filed.

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