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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2013 Senate Bill 498</b>	<b>Senate Amendment 1 and Senate Amendment 1 to Senate Amendment 1</b>
<i>Memo published:</i> March 10, 2014	<i>Contact:</i> David Lovell, Principal Analyst (266-1537)

2013 Senate Bill 498 relates to notifications concerning the assertion of rights under a patent or pending patent.

### **2013 SENATE BILL 498**

Senate Bill 498 requires certain information to be included in a “patent notification,” defined to mean a letter, e-mail, or other written communication attempting in any manner to enforce or assert rights in connection with a patent or pending patent. Specifically, the bill requires a patent notification to contain all of the following information:

- The number of each patent or patent application that is the subject of the patent notification.
- A physical or electronic copy of each patent or pending patent.
- The name and physical address of the owner of each patent or pending patent and all other persons having a right to enforce the patent or pending patent.
- An identification of each claim of each patent or pending patent being asserted and the target’s<sup>1</sup> product, service, process, or technology to which that claim relates.

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<sup>1</sup> The bill defines a “target” of a patent notification as a person who is a natural person domiciled within the state, is a domestic corporation or limited liability, or is engaged in substantial and not isolated activities within the state, and who has either received a patent notification or has one or more customers who have received a patent notification.

- Factual allegations and an analysis setting forth in detail the person's theory of each claim identified and how that claim relates to the target's product, service, process, or technology.
- An identification of each pending or completed court or administrative proceeding, including any proceeding before the U.S. patent and trademark office, concerning each patent or pending patent.

The bill provides for the enforcement of those requirements through enforcement actions brought by the state Attorney General and private causes of action.

### **SENATE AMENDMENT 1**

Senate Amendment 1 makes four changes to the bill. First, the amendment exempts the following types of communications from the bill's requirements:

- A patent notification of an institution of higher education or of a technology transfer organization that is owned, controlled, or operated by, or associated with, an institution of higher education.
- A patent notification attempting to enforce or assert a right in connection with a patent or pending patent on a device, or a component of that device, that is subject to approval by the federal Food and Drug Administration (FDA) or the federal Department of Agriculture.
- A patent notification attempting to enforce or assert a right arising under certain provisions of federal law, namely 35 U.S.C. s. 271 (e) (2) (patent infringement by submitting specified types of applications under the federal Food, Drug, and Cosmetic Act or the Public Health Service Act) or 42 U.S.C. s. 262 (introduction of specified types of projects without a biological products license).

The amendment also modifies several internal cross-references in the bill to refer to the relevant subsection created under the bill.

Second, the amendment makes mandatory a provision of the bill that authorizes a person who has sent a patent notification that omits any of the information required under the bill to provide that information to the target within 30 days after the date on which the target notifies the person that the patent notification is incomplete. Thus, under the amendment, a person *must* provide the additional information within that 30-day period.

Third, the amendment provides that the enforcement actions and private legal remedies authorized under the bill are triggered only if a person includes false, misleading, or deceptive information in a patent notification or fails to provide the required information within the 30-day period following a notification from a target. The enforcement actions and private remedies would not be available solely on the basis of omissions made in an initial patent notification.

Finally, the amendment specifies that information concerning factual allegations and detailing a person's theory regarding a patent claim must be included in a patent notification only if the person is asserting a claim regarding a patent or pending patent.

### **SENATE AMENDMENT 1 TO SENATE AMENDMENT 1**

Senate Amendment 1 to Senate Amendment 1 add an exemption from the bill's requirements for a patent notification of a health care or research institution that has annual expenditures of at least \$10,000,000 and that receives federal funding or by an organization owned, controlled, or operated by such an institution.

### **BILL HISTORY**

On March 5, 2014, the Senate Committee on Government Operations, Public Works, and Telecommunications voted to recommend adoption of Senate Amendment 1 to 2013 Senate Bill 498, as amended by Senate Amendment 1 to Senate Amendment 1, and to recommend passage of 2013 Senate Bill 498, as amended, on votes of Ayes, 7; and Noes, 0.

### **COMPARISON TO ASSEMBLY BILL 656**

2013 Assembly Bill 656 is a companion bill to Senate Bill 498. The Assembly Committee on Jobs, Economy, and Mining has recommended passage of Assembly Bill 656, as amended, by Assembly Amendments 1 and 2 and Assembly Amendment 1 to Assembly Amendment 1.

Senate Amendment 1 to Senate Bill 498 is identical to Assembly Amendments 1 and 2 and Assembly Amendment 1 to Assembly Amendment 1 to Assembly Bill 656. Consequently, Senate Bill 498, as recommended by the Senate committee, is identical to Assembly Bill 498, as recommended by the Assembly committee, with the exception of the exemption added to the bill by Senate Amendment 1 to Senate Amendment 1 to Senate Bill 498.

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