



House of Representatives *State of Utah*

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February 21, 2014

Madam Speaker:

The Business and Labor Committee recommends **H.B. 117**, PATENT INFRINGEMENT AMENDMENTS, by Representative M. McKell, be replaced and reports a favorable recommendation on **1st Sub. H.B. 117**, PATENT INFRINGEMENT AMENDMENTS with the following amendments:

1. *Page 3, Lines 63 through 66:*

- 63 (b) ~~{Prior to sending the demand letter, the person fails to conduct an~~
64 ~~analysis~~
65 ~~comparing the claims in the patent to the target's products, services, and technology,~~
66 ~~or an~~
~~analysis was done but does not identify specific areas in which the products, services,~~
~~and~~
~~technology are covered by the claims in the patent.~~ } By presenting a demand
letter to the target a person is certifying that to the best of the person's knowledge,
information, and belief, formed after an inquiry reasonable under the circumstances:
(i) the demand letter is not being presented for any improper purpose, such as to
harass or to cause unnecessary delay or needless increase in the cost of settlement or
litigation;
(ii) the claims, defenses, and other legal contentions are warranted by existing
law or by a nonfrivolous argument for the extension, modification, or reversal of
existing law or the establishment of new law; and
(iii) the allegations and other factual contentions have evidentiary support or, if
specifically identified, are likely to have evidentiary support after a reasonable
opportunity for further investigation or discovery.

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2. Page 4, Lines 88 through 100:

88 (c) The person engages in a good faith effort to establish that the target has infringed
89 the patent and to negotiate an appropriate remedy.
90 { ~~(d) The person makes a substantial investment in the use of the patent or in~~
~~the~~
91 ~~production or sale of a product or item covered by the patent.~~
92 — ~~(e) The person is:~~
93 — ~~(i) the inventor or joint inventor of the patent or, in the case of a patent filed by~~
~~and~~
94 ~~awarded to an assignee of the original inventor or joint inventor, is the original~~
~~assignee; or~~
95 — ~~(ii) an institution of higher education or a technology transfer organization~~
~~owned or~~
96 ~~affiliated with an institution of higher education.~~
97 — ~~(f) The person has:~~
98 — ~~(i) demonstrated good faith business practices in previous efforts to enforce the~~
~~patent;~~
99 ~~or a substantially similar patent; or~~
100 — ~~(ii) successfully enforced the patent, or a substantially similar patent, through~~
~~litigation. }~~

Respectfully,

James A. Dunnigan
Committee Chair

Voting: 11-0-5

7 HB0117.HC1.WPD 2/21/14 9:55 am bhowe/BRH ECM/CBL

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