

THE COALITION FOR 21ST CENTURY PATENT REFORM
Protecting Innovation to Enhance American Competitiveness
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October 24, 2013

The Honorable Bob Goodlatte
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Goodlatte:

The Coalition for 21st Century Patent Reform thanks you for moving ahead on this important legislation, the “Innovation Act” (H.R. 3309). While there are a number of positive features in the bill, there are also provisions which represent a step away from constructive patent reform.

With regard to the former, we are pleased to see in the bill some of the provisions that remain essential to completing the historic reforms under the Leahy-Smith America Invents Act (AIA). For example, to ensure that the new post-grant review (PGR) proceedings can be optimally utilized – and the public, patent owners and patent challengers can all reap the full benefits envisioned from PGR’s role as a quality check on issued U.S. patents – the bill properly repeals the “or reasonably could have raised” estoppel for civil litigation, which inadvertently appeared in the text of the AIA through a scrivener’s error. Likewise, we are pleased that the bill would require the USPTO to construe patent claims involved in the AIA’s new post-issuance proceedings in accordance with the ordinary and customary meaning of the claim language, as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. This provision will help ensure that the public, patent owners and patent challengers can rely on consistent claim construction rules when patent claims are challenged in court or in the USPTO. We also welcome some of the provisions included to respond to the concerns that have been raised in connection with the enforcement of patent rights. For example, the 21C has long been a proponent of a relaxation of the “exceptional” case standard to permit fee shifting in more cases to encourage both plaintiffs and defendants to assert only meritorious positions, and we support the bill’s language that would amend Section 285 to achieve that result.

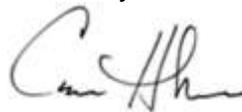
Notwithstanding these improvements, there are other provisions that should not be enacted in their current form. For example, some of the proposed litigation reforms such as stays of discovery pending claim construction would make patent litigation more expensive, burdensome and protracted, and would undermine the enforceability of patents generally. We remain concerned that the bill’s provisions regarding patent

litigation discovery and case management marginalizes the role of an independent federal judiciary and its experience and expertise in managing patent infringement litigation. We believe that the Judicial Conference is in the best position to develop reforms to improve the efficiency, and reduce the costs and burdens, of patent infringement actions for all litigants.

Our Coalition continues to oppose the proposed changes to the AIA's Transitional Program for Covered Business Method Patents. These changes represent an unwarranted expansion of this transitional program which would seriously distort the AIA's carefully-balanced set of post-issuance challenges to patents, to the detriment of all patent owners. We are also disappointed with the continuation of the proposal to eliminate an inventor's right to appeal an adverse decision on his or her patent application to the district court. A part of our patent law since 1832, this right allows an inventor, dissatisfied with a decision by the Office regarding patentability, to introduce live testimony to support his case. Although seldom needed, this right nonetheless serves as an important safeguard for inventors, especially those who need to subpoena witnesses and documents to prove their entitlement to a patent.

To be clear, 21C remains committed to further work on measured, targeted legislative reforms designed to curb litigation abuse, provided that those reforms are applied in a balanced manner, targeting litigation misbehavior on the part of any litigant, to avoid tilting the playing field against certain patent owners or creating unintended consequences that may upset the balance of the patent ecosystem as a whole. To this end, we look forward to continuing to work with you and other members of the Judiciary Committee to address the concerns we have with the bill as it moves through the legislative process and to address our concerns so that 21C can support this legislation.

Sincerely,



Carl B. Horton
Coalition for 21st Century Patent Reform

cc: The Honorable John Conyers, Ranking Member
Members of the Committee on the Judiciary