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Coalition for Patent Fairness Applauds Congress' Leadership on Patent Reform

Today's Hearing a Big Step toward Greater Innovation, Competitiveness

WASHINGTON, D.C. – The Coalition for Patent Fairness today applauded Chairman Howard Berman (D-Calif.) and Ranking Member Howard Coble (R-N.C.) of the House Judiciary Committee's Subcommittee on Courts, the Internet, and Intellectual Property for holding an oversight hearing entitled "American Innovation at Risk: 'The Case for Patent Reform.'"

"In the midst of a very active new Session, Congress is showing real leadership in selecting patent reform for early, high-profile consideration," said Jonathan Yarowsky, counsel to the Coalition for Patent Fairness. "Strong patent protection is a pillar of America's unparalleled economic success and global competitiveness. There is now a clear bipartisan consensus that the time is now for balanced patent reform legislation. Without some key changes in the process, American competitiveness, innovation, and ultimately consumer welfare will all suffer. That's really unacceptable."

A broad and growing group of institutions and individuals recognize the need for patent reform. Reports and studies from the Federal Trade Commission, National Academy of Sciences and the Council on Foreign Relations, for example, have illustrated how imbalances in the patent system restrict innovation and U.S. competitiveness. The nation's leading legal scholars and economists have written numerous papers, books and legal filings in support of patent reform, and leading national newspapers including *The Wall Street Journal*, *New York Times* and *Los Angeles Times* have editorialized in support of patent reform legislation. Even the U.S. Supreme Court has heard a number of patent-related cases and ruled decisively to reestablish proper interpretation of the law, fairness and balance in the areas it has considered. But to promote economic growth, the restoration of balance in other areas remains urgently needed.

The Coalition for Patent Fairness supports patent reform legislation that:

- **Balances apportionment of damages.** The standard for calculating damages should be based on the fair share of the patent's contribution to the value a product, and not on the value of a whole product that has many other components.
- **Establishes fair standards for punitive damages.** Awarding punitive, triple damages for "willful" patent infringement should be reserved for cases of egregious conduct, as required by the U.S. Supreme Court for virtually all other punitive damages.
- **Restricts forum shopping.** Cases should be brought in courts with some reasonable connection to the case without "gaming the system" to find the court with the highest success rate.

- **Limits international liability for domestic infringement.** Current interpretations of patent law create a double-standard that puts companies conducting research and development in the U.S. at a disadvantage vis-à-vis their foreign competitors. The system should level the playing field and encourage research and development spending in the U.S. by limiting damages awarded in U.S. courts to claims of infringement within the U.S.
- **Improves patent quality.** The system should promote quality patents by providing a meaningful second chance for the experts at PTO to review potentially problematic patents in a timely manner, and should promote sharing of information with the PTO to improve the process and increase innovation.

About the Coalition for Patent Fairness

The Coalition for Patent Fairness is committed to the passage of legislation that will foster innovation and economic growth. Representing a broad range of companies and trade associations in the technology, financial services, energy, manufacturing and media industries, the Coalition's members include Amazon.com, Apple, Autodesk, Business Software Alliance, Cisco Systems, Comcast, Dell, Electrolux, Financial Services Roundtable, Hewlett-Packard, Information Technology Industry Council, Intel, Micron Technology, Microsoft, Oracle, SAP, TechNet, Time Warner and Visa. For more information, visit www.patentfairness.org.

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