

A Modern Patent System to Promote JOBS & Innovation, Competition & Growth

The Coalition for Patent Fairness (CPF) is a broad range of companies and trade associations in the financial services, technology, energy, chemical, manufacturing and media industries that have come together to reform the current patent system. CPF believes that strengthening the patent system is essential for the creation of new American jobs and the restoration of our competitiveness in the global marketplace. In order to address deficiencies in our patent law, comprehensive balanced bipartisan patent reform legislation is urgently needed to modernize and to strengthen the U.S. patent system – a system that is overburdened; too often fails to maintain high patent quality and hinders the speedy and fair resolution of disputes. Patent reform and modernization is essential to maximize job growth, spur innovation, promote competition, improve consumer satisfaction and increase U.S. global competitiveness.

Why is patent reform urgently needed?

JOB CREATION: Modernizing our patent system will create jobs, stimulate innovation and improve our global competitiveness.

OPPORTUNISTIC LAWSUITS TAKE INVESTMENT AWAY FROM JOB CREATION/INNOVATION: Small, medium and large U.S. companies are forced to dedicate valuable time and resources to respond to questionable patent infringement lawsuits, time and resources spent away from job creation and innovation. Such litigation creates additional risks to innovators: it slows down innovation and drives up costs for consumers.

INNOVATION BECOMES SECONDARY: Engineers are spending more time testifying in courtrooms than focusing on good science, new products and imaginative solutions in labs.

OVERDUE FOR REFORM: The last comprehensive re-write of patent laws occurred more than 50 years ago, predating the microwave oven, the copier and the personal computer.

EXAMINATION PROCESS NEEDS TO BE UPDATED: Reform would provide the U.S. Patent and Trademark Office (PTO) with the resources it needs to conduct high quality patent evaluations.

Comprehensive and balanced patent reform should:

QUALITY IMPROVEMENT: The system should promote quality patents by providing a meaningful second chance for PTO's experts to review potentially problematic patents in a timely manner and should promote better information sharing with examiners in order to improve the process and to increase innovation.

FAIR STANDARDS FOR PUNITIVE DAMAGES: Awarding punitive, triple damages for "willful" patent infringement should be reserved for cases of egregious conduct, just as US laws require for virtually all other punitive damages.

BALANCED DAMAGES: A modern standard for calculating damages should be developed based on the fair share of the patent's contribution to the value of a product and not on the value of a whole product made up of numerous other components.

RESTRICT FORUM SHOPPING: Cases should be brought in courts with some reasonable connection to the case without "forum shopping" for the court with the highest success rate for plaintiffs.