

THE COALITION FOR 21<sup>ST</sup> CENTURY PATENT REFORM  
*Protecting Innovation to Enhance American Competitiveness*

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**Coalition Statement on Introduction of Patent Reform Legislation**

***America's Patent System: Creating Jobs and Growth by Stimulating Invention***

**Washington, D.C.** – The Chairman of the Coalition for 21<sup>st</sup> Century Patent Reform, Gary Griswold, released the following statement after the introduction of *The Patent Reform Act of 2009*, in the U.S. Senate and U.S. House of Representatives. The bills introduced in the House and Senate today contain several provisions that did not have sufficient support to become law because of the potential negative impact on innovation and job growth.

“Our coalition is committed to achieving reforms that will enhance the patent system so that valid patents are issued promptly and cost efficiently thereby encouraging innovation that will create jobs and promote America’s economic recovery. Legislation that makes these kinds of changes will permit Congress to reach useful and effective reforms to the patent system, and should be passed in the 111<sup>th</sup> Congress.

In that regard, we look forward to working with Chairman Leahy and members of the Senate, as well as Chairman Conyers and members of the House of Representatives to reach a consensus that is fair, balanced and allows us to continue fostering innovation and job creation in the United States.

Unfortunately, several provisions in the bill are problematic because of their potential negative impact on innovation and job growth. For example, the damages methodology in this bill heavily favors infringers over inventors. At a time when we need to stimulate our innovation and aid U.S. manufacturers, this bill sends an international signal that patented American technology can be copied with little or no consequence. We will erode our global leadership in research and invention if we eviscerate this cornerstone of our patent system. Specifically, provisions intentionally designed to reduce damages, such as ‘prior art subtraction,’ should not be part of any patent reform enacted by Congress.

Our coalition believes the Congressional focus should be on making the reforms that all stakeholders agree are necessary to remedy the problems facing the Patent and Trademark Office and the patent system. To do otherwise holds hostage the good reforms on which there is wide consensus.

While the PTO continues to struggle examining patent applications in a timely and efficient manner, the courts have made progress in resolving issues that gave rise to

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controversial proposals to reform the patent system. In other words, the courts have been systematically resolving complex issues in a comprehensive and thoughtful manner, while the PTO has been unable to process and promptly grant valid patents needed by American innovators.

We need creativity and innovation leadership from all inventors and industry sectors, not just a few. Our coalition looks forward to engaging in a continuing dialogue with the House and Senate as well as other stakeholders to improve the quality of patent system and promote the broader public interests.

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The coalition has 50 members from 18 diverse industry sectors and includes many of the nation's leading manufacturers and researchers. The coalition's steering committee includes 3M, Caterpillar, General Electric, Johnson & Johnson, Eli Lilly and Procter & Gamble. The coalition has members in a variety of industry sectors including: Aerospace and Defense, Chemical, Computers, Diversified Financials, Diversified Technology, Energy, Food Production, Forest & Paper Products, Health Care, Household & Personal Products, Industrial Equipment, Medical Equipment & Devices, Network & Communications, Payroll Services, Pharmaceutical, Biotechnology, Semiconductors & Electronic Components, and Transportation Equipment.

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