



The Honorable Robert Goodlatte
Committee on the Judiciary
2138 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Goodlatte:

The National Association of Patent Practitioners (NAPP) is a nonprofit trade association for patent agents and patent attorneys. NAPP has approximately 400 members in the US and various foreign countries. The practices of the practitioner members are focused primarily on patent prosecution, namely practice before the USPTO. Our practitioner members represent thousands of clients who seek patents, which for the most part are small and mid-sized business and individual inventors, well-understood to be the driving force of the American economy. As part of NAPP's mission, we aim to create a collective nationwide voice to address issues relating to the patent prosecution practice. Additional information about NAPP can be found at www.napp.org.

NAPP understands the motivation of the House Judiciary Committee for considering legislation to curb abusive patent litigation. However, the provisions contained in the recently introduced Innovation Act (H.R.3309) are not narrowly crafted to address abusive practices, but instead broadly undermine the ability of patent owners to enforce their constitutionally protected, government (USPTO) granted patent rights. The only ways to enforce a patent is to approach an infringer (through a demand letter) or to file a patent lawsuit. The patent bill being considered will impose substantial burdens on the ability to enforce patents effectively and efficiently, both "legitimate" patents asserted properly and "illegitimate" patents that the USPTO mistakenly granted. The result will be to hinder the value of patents and lessen incentives for patentable innovation across technology areas. The Committee cannot simply allow a few non-representative concerns about abusive litigation to override the need to strike an appropriate balance with all patent holders and not weaken incentives for U.S. innovation.

The following lists specific concerns NAPP has identified in H.R. 3309, the Innovation Act, as currently drafted:

- Fee shifting provisions of amended Sec 285 are extremely broad, applying to any civil action in which any party asserts a claim for relief under the Patent Act. The presumption is heavily in favor of fee-shifting as a default outcome. The provisions will interfere with ordinary enforcement of exclusive patent rights. The chilling effect of the uncertainty about whether such expense would be due and who ultimately will pay it is disproportionately adverse to parties of limited means such as individual inventors and small-business entrepreneurs.

- Increases pleading requirements in a way that raises questions about the balance between patent infringement plaintiffs and defendants. Plaintiffs are required to have information available at the time of lawsuit, and any invention for which infringement cannot be proven without litigation discovery (e.g., software) could be impossible to enforce. This provision calls into question the commitment to prompt and effective access to the courts by patent owners more broadly (Section 3(a)).
- Imposes restrictions on discovery that could serve to delay ultimate resolution of patent litigation, further clog federal court dockets, and increase costs, by creating satellite motions and fights about whether discovery should be granted (Section 3(d)).
- Raises serious questions regarding balance between those who might seek to enforce a patent and those who might seek to invalidate a patent by mandating requirements for transparency of ownership only to the former (Section 4). In connection with fee-shifting, similarly, patent owners put themselves at risk if they dare to sue, but patent pirates can remain hidden behind corporate shields in denying or infringing patents at will.
- Includes a customer suit exception provision that is not targeted narrowly and could lead to delayed resolution of disputes (Section 5).
- Prescribes activities for the Judicial Conference, or the Supreme Court, that may more appropriately be considered areas for reflection by those bodies (Section 6).
- Eliminates Section 145 proceedings as a procedural option for patent applicants (Section 9(a)), curtailing their right to introduce further evidence of patentability of their inventions.
- Proposes an inappropriate limitation on patent term adjustment by the PTO (Section 9(f)).

NAPP is hopeful this legislation will be amended to address the above concerns.

Sincerely,



Priya Sinha Cloutier
Chair, NAPP Government Affairs Committee