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Computer & Communications Industry Association

February 8, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Patent Reform

Dear Speaker Pelosi, Majority Leader Hoyer and Minority Leader Boehner:

When President Obama addressed Congress and our nation last month, it was clear the focus of the coming year is stimulating economic growth and resetting the country on an upward path. As the President noted, we must encourage innovation. Innovation and job-growth are inextricably tied. Unfortunately, we risk stifling innovation due to our outdated patent system.

While our nation leads the world in cutting-edge technology, our patent system has not kept pace. As U.S. companies struggle against a wave of questionable patents and skyrocketing litigation, innovation suffers and the fairness and integrity of our intellectual property system is questioned. The Computer & Communications Industry Association (CCIA) strongly encourages the House and the Senate to pass comprehensive patent reform this year.

As the President said, “We should start where most new jobs do: in small businesses, companies that begin when an entrepreneur takes a chance on a dream, or a worker decides its time she became her own boss.” These entrepreneurs are the innovators – and the reason for reform.

The overworked employees at the Patent Office face a massive patent application backlog. Meanwhile, the courts have imposed rules and misinterpreted the law in a way that creates an unbalanced legal playing field for plaintiffs and defendants in patent cases.

Patent disputes, in particular, have become an Achilles heel to our economy. Non-practicing entities (NPE) are at the core of many of these fights, taking advantage of loopholes in the current patent system to gain a profit. They acquire overly broad patents despite having no intention of implementing the patented technology to create goods or benefit society.

Opportunists and speculators use the system to create and capitalize on uncertainty. Misguided policies that made patents easy to get and far too plentiful have distorted the operation of the system. This bubble in patents has created a constituency that claims that the granting of more patents is the key to wealth creation. But the real key is the genuine innovation that comes from the hard work of making real products and services work well, individually and together.

We need administrative procedures to undo these mistakes without resorting to costly litigation that ties up federal courts at taxpayer expense. We need guidelines for damages that ensure that patent litigation does not become a lottery. We also need to be confident that the patent system can evolve consistently with the goal of promoting innovation. We support full funding of the USPTO, but a necessary part of operating a patent system is ensuring that it is functioning as intended – that is, promoting technology rather than legal work. We cannot afford further politicization and paralysis in which debate is driven by emotion and self-interest rather than solid evidence and economic analysis.

It is up to Congress to fix the broken patent system before it imposes massive costs on the next generation of American innovators. It is time to ensure our patent law promotes progress – not patenting. We need to stop patent abuse that is hurting consumers, businesses, and the economy.

We look forward to working with you as Congress considers patent reform legislation this year.

Sincerely,



Edward J. Black
President & CEO
Computer & Communications Industry Association

Cc: Members of the United States House of Representatives