



Sunday, June 12, 2011

The Honorable John A. Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am writing on behalf of the 85 members of our angel investor group, and the innovators and entrepreneurs that we have invested over \$10 million in. As a nation, we are dependent on this group of entrepreneurs to generate the new jobs our economy needs. As innovators, investors, and entrepreneurs, we urge you to delay consideration of H.R. 1249, The America Invents Act, until Congress has the opportunity to fully understand the potentially devastating effects that this legislation will have on start-ups, independent inventors, entrepreneurs and the many angel and venture investors who invest in them. Despite the good intention of reducing a backlog of more than 700,000 patent applications awaiting examination, the proposed legislation is fraught with serious consequences, many of which would stifle innovation, increase expenses for start-ups, increase the risk of being a startup, increase a backlog, make it harder for early stage companies to raise capital and will ultimately cost jobs instead of creating them.

Our three primary concerns:

- Proposal to change from "first-to-invent" to "first-to-file" system.
 - A "First-to-file" system favors larger firms with well-established internal patenting procedures, patent committees and in-house attorneys over small business inventors.
 - Increases cost of start-ups as it forces investor dollars to first be used to file patents instead of building a company and creating jobs. Currently, logbooks serve as proof of prior art.
- Effective elimination of grace period.
 - HR 1249 will hurt an integral part of a start-up's ability to launch a product and validate its market before investing in the expensive patent process.

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- Extension of post grant review.

- Provides additional tools for a well-funded infringer to maximize its leverage against a startup owning patented technology.

- Increases the costs of post-grant opposition with expanded discovery and multiple oppositions, and reduces the likelihood that a start-up's patent infringement suit will be heard in federal court before the start-up's financial resources are exhausted in the opposition.

- Increases risk for investors

There are changes that need to be made to our 220-year-old patent system to bring it into the 21st Century, but unfortunately, this bill fails to address those issues. The cumulative effects of H.R. 1249 will be to create uncertainty among the very groups that we expect to lead the US back to prosperity, and to amend and transform our system into one that favors large corporations instead of small innovators.

Please protect American entrepreneurs, start-up companies, innovators and the uniquely American idea that anyone can invent a better mousetrap. Please delay consideration of H.R. 1249.

Sincerely Yours,



Richard E. Reeves
Executive Director