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We write on behalf of the Federal Circuit Bar Association on H.R. 3309, the Innovation Act, to express serious concern on its unintended consequences not only for the adjudicatory process but also for innovation, economic recovery, and jobs. The Association has worked closely with intellectual property issues since 1985 and has focused on effective litigation techniques, including those in the United States Court of Appeals for the Federal Circuit, the district courts, and other tribunals reviewed by the Circuit. Our membership is both national and international and includes litigators and business representatives. It draws from the most sophisticated and experienced intellectual property sectors in the world. Although we have government members, when we address legislative matters we do not speak on their behalf and they have not been involved in this topic.

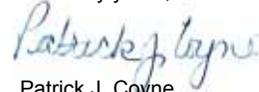
When it occurs, abusive behavior, whether by so-called "patent trolls" or anyone else, is unacceptable. It unfairly challenges America's most successful economic engine—innovation and the patent system which supports innovation. The United States courts are the leading examples of the application of the rule of law around the globe. They have earned this reputation by reliably delivering justice and managing abuse in complex litigation fairly. The respect for their skills is well-earned. Their efforts are continuing. The Association commends the sponsors of H.R. 3309 for this serious effort to address abuse and for adding important visibility to that challenge in patent litigation. The detailed and daily experience of the Judicial Branch in complex litigation leads us, however, to conclude that this is a matter which that Branch can best pursue.

Effectively addressing abusive litigation conduct requires careful balance between the Congress and the Article III components. See Rules Enabling Act, 28 USC §§2071-2077. Both abusive litigation behavior and the potential impact of the reforms proposed in H.R. 3309 warrant careful study. This balance requires the participation and involvement of the Judicial Conference rather than directing the courts to manage all patent infringement cases in one standardized way. Although well-intentioned, the proposed Bill is neither sufficiently precise nor likely to be effective. Among the concerns are whether heightened pleading standards would add the time and expense of a more intense early motions practice and whether adjusted attorneys' fees provisions would spark satellite fees litigation which would deter innovative start-ups from enforcing patents. Targeted changes to Federal Rules of Civil Procedure 16(b) and (c) and 26(b), (c), and (d) requiring district judges to make specific findings in complex intellectual property cases offers a simpler alternative that is less disruptive to the balance established by the Rules Enabling Act and better conforms to the needs of the parties. Improved early case management would greatly benefit the system overall.

Section 9(c) of H.R. 3099 calls for the PTO to use district court claim construction principles. This language would alter the current and long-standing practice, Manual of Patent Examining Procedure, Ch. 2111, requiring that the PTO give pending claims "their broadest reasonable interpretation consistent with the specification" (BRI). Although the PTO feels that that BRI is well-established in precedent, the application of two different standards (BRI by the PTO and the standard rules of claim construction by the district courts) on the same issue invites inconsistency, inefficiency, and increased costs for the courts, the parties, and the economy. Because the courts ultimately review the patents that emerge from the PTO, usage of the courts' standard fosters predictability.

Thank you for your consideration. If we can help further, please contact either me at patrick.coyne@finnegan.com, or the Association's Executive Director, James E. Brookshire at brookshire1@fedcirbar.org. We strongly urge additional study and would be pleased to assist you and your staff in this important effort.

Sincerely yours,



Patrick J. Coyne
President