

THE PATENT REFORM ACT: *SECURING AMERICAN INNOVATION – CREATING AMERICAN JOBS*

The bipartisan Patent Reform Act is the product of more than five years of consideration in Congress, and would make the first significant reforms to the nation's patent system in more than 50 years. Updating our patent system to address the needs of a 21st century economy must be a component of the government's efforts to bolster economic development, sustain American innovation, and protect American jobs.

On March 4, senior members of the Senate Judiciary Committee, led by Chairman Patrick Leahy, unveiled a manager's amendment to the Patent Reform Act. The compromise reflects months of negotiations with stakeholders from cross-sector manufacturers and innovators, to pharmaceuticals and the biotech industry, to the high-tech industry, to bar associations and universities, all of which support reforming the patent system.

Cross-Sector Manufacturers and Innovators

"Our coalition of nearly 50 companies from diverse industry sectors has been actively supporting fair and balanced patent reform for several years. We believe the compromise agreement, coupled with the USPTO being able to retain and use all of its fees, would achieve that goal...**The compromise agreement improves, clarifies and updates the patent system in a balanced, thoughtful manner.** S. 515 will have a major, positive impact on investment in research and development, bringing new products to market and creating new high-wage jobs." -- [The Coalition for 21st Century Patent Reform](#), March 1, 2010

"...[T]he Innovation Alliance believes the legislation has evolved in the Senate to the point where, with respect to the issues that the Innovation Alliance has raised, it **embodies a fair compromise.** We do not oppose the passage in this Congress of the manager's amendment announced [March 4]." -- [Innovation Alliance](#), March 5, 2010

Pharmaceuticals and Biotech

"The new manager's amendment contains many positive changes to the underlying patent reform legislation reported out of the Senate Judiciary Committee last April, which BIO supported...The proposal represents **a significant step forward towards meaningful patent reform that will help sustain America's global leadership in innovation** and spur the creation of high-wage jobs in our nation's innovation economy." -- [Biotechnology Industry Organization \(BIO\)](#), March 4, 2010

"We believe to be successful, patent reform legislation must support security and certainty in the patent law, and must reduce the uncertainties and inefficiencies of patent litigation. We believe [the] new Managers' Amendment will go far in achieving these goals...**We [] support the agreement as reflecting a fair balance that will benefit all users of the patent system.**" – [Genentech](#), March 5, 2010

"We applaud Senators Leahy, Sessions, Hatch and others for their work in reaching an agreement on patent reform that balances the interests of a very diverse group of stakeholders across American business sectors. **This agreement represents another step forward toward our shared goal of legislation that protects the integrity of the U.S. patent system,** which provides American businesses with incentives that drive innovation and create jobs across the country...A strong patent system is crucial to our economic competitiveness, especially in these economically trying times."
-- [PhRMA](#), March 5, 2010

High-Tech

“The leadership of Senators Leahy, Sessions and others has forged a compromise bill that works for all members of the intellectual property community and represents real progress on patent reform. **Modernizing the patent system, as outlined in this bill, will protect inventors and promote innovation.**” -- Robert Weber, senior vice president, Legal and Regulatory Affairs and General Counsel, [IBM](#), March 4, 2010

“While the Senate consensus measure may not address all the wishes of all the parties involved...it embodies a **balanced approach that improves our nation’s patent law and promotes patent quality.** Together with administrative and judicial reform efforts, this legislation will help modernize the patent system in important respects and will give the USPTO the resources it badly needs. We are pleased to support it.” -- Horacio Gutierrez, Corporate Vice President & Deputy General Counsel for Intellectual Property and Licensing, [Microsoft Corporation](#), March 4, 2010

Bars and Universities

“The American Intellectual Property Law Association (AIPLA) commends the bipartisan agreement recently reached in the Senate Judiciary Committee regarding S. 515, the Patent Reform Act...**The bill is a significant step forward in improving U.S. patent law.** Many of its provisions, including the adoption of a first-inventor-to-file system and the expansion of post-grant review options, will aid in strengthening the system as a whole.” -- [American Intellectual Property Law Association](#), March 5, 2010

“These six associations representing the nation’s higher education institutions strongly endorse the substitute amendment to S. 515, the Patent reform Act of 2009...**We believe that this legislation,** the product of over five years of deliberations in Congress, **represents the successful culmination of a thorough, balanced effort to update the nation’s patent reform system** to more effectively support the nation’s innovative capacity in the increasingly competitive global environment of the 21st century.” -- [Higher Education Coalition](#), including the Association of American Universities; American Council on Education; Association of American Medical Colleges; Association of Public and Land-Grant Universities; Association of University Technology Managers; Council on Governmental Relations, March 5, 2010

Background on the Patent Reform Act

The Patent Reform Act was introduced in the Senate on [March 3, 2009](#), by Senator Patrick Leahy (D-Vt.) and Senator Orrin Hatch (R-Utah). The Senate Judiciary Committee held a hearing about needed reforms to the nation’s patent system on [March 10](#). The Committee considered amendments to the legislation during business meetings on [March 26](#) and [March 31](#), and on [April 2](#), a bipartisan majority of the panel voted to advance the legislation to the full Senate for consideration. A Committee Report to accompany the legislation was filed on [May 12](#).

On [March 4, 2010](#), Leahy, Hatch and others unveiled compromise legislation addressing outstanding concerns involving first-window post-grant review, inter partes review, willfulness, interlocutory appeals, PTO funding, and supplemental examinations.