

UNITED *for* PATENT REFORM

November 1, 2017

The Honorable Chuck Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC, 20510

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC, 20510

Dear Chairman Grassley and Ranking Member Feinstein:

In advance of the Senate Judiciary Committee's consideration of Andrei Iancu to be Director of the United States Patent and Trademark Office (USPTO), the undersigned write to emphasize our support for policies to improve patent quality that combat frivolous and abusive patent litigation, particularly the USPTO's *Inter Partes* Review (IPR) program.

Low quality patents that fuel abusive patent litigation weaken our patent system and harm our economy. By forcing companies to divert resources to respond to frivolous patent claims, these problems threaten job creation, innovation, and overall economic growth.

One of the most significant advancements for improving patent quality and strengthening the patent system is IPR, as established by the America Invents Act of 2011 and overwhelmingly passed by Congress. By creating IPR, Congress gave the USPTO the ability to take a focused look at questionable patents that should not have been granted in the first place.

Since its inception, IPR has proven to be a fair, successful, and cost-effective program that has improved the patent system and patent quality. Through the IPR program, the USPTO has been able to reconsider its own past mistakes on poor quality patents, saving American companies hundreds of millions of dollars per year in abusive litigation costs. These include patents for basic, well-known processes like sending an email when a new real estate listing is posted, scanning a document and sending it to email, sending emails with package tracking information, and posting a podcast.

Most of these invalid patents fueled abusive litigation brought by patent trolls against companies with business in the United States, many of which were small businesses and startups that could not afford to fight back through litigation. Because IPR is less expensive than going to court, the program has been an especially helpful tool for these businesses,

which are so essential to the American economy and innovation. At the same time, the IPR program offers substantial safeguards for patent owners in order to protect strong patents from harassment, including review by expert patent judges at the Patent Trial and Appeal Board and a bar against petitioners raising new issues in court that they could have raised in the IPR process.

As a result of IPR, the danger posed to businesses by poor quality patents has been reduced. The IPR program unquestionably has strengthened our intellectual property system by removing weak patents from the system, deterring abusive litigation, giving our companies greater confidence in the patents that we own, and contributing to a more prosperous economy.

That's why it's critical that Congress and the USPTO continue to champion strong and effective policies that support patent quality, innovation, and economic growth, particularly by affirming and maintaining a robust IPR program. As you consider Mr. Iancu's nomination, we ask that you keep in mind the importance of these policies and the unique role played by the IPR program in protecting America's patent system, and economy, from low quality, invalid patents, patent trolls, and abusive tactics.

Sincerely,

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Demand Progress	Kentucky Association of Manufacturers
Developers Alliance	Kentucky Grocers Association
Dillard's, Inc.	Kickstarter
Direct Marketing Association	Macy's
dotmailer	Medici Ventures Inc.
Dropbox	Motorola Solutions
Electronic Transactions Association	MPA-The Association of Magazine Media
Engine	National Apartment Association
Facebook	National Association of Broadcasters
Fark.com	National Association of Convenience Stores
Fiat Chrysler Automobiles	National Association of Home Builders
Food Marketing Institute	National Association of Realtors
Ford	National Council of Chain Restaurants
General Motors	National Grocers Association
GLHN Architects & Engineers	National Multifamily Housing Council
Google LLC	National Restaurant Association
Hanna Andersson	National Retail Federation
High Tech Inventors Alliance	NCTA – The Internet & Television Association
HSN, Inc.	Newspaper Association of America
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USA Trail Cams
Verizon
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Yum! Brands, Inc.

cc: Members, United States Senate Committee on the Judiciary