

July 29, 2015

The Honorable John A. Boehner Speaker United States House of Representatives Washington, D.C. 20515 The Honorable Nancy Pelosi Minority Leader United States House of Representatives Washington, D.C. 20515

Dear Mr. Speaker and Leader Pelosi:

On behalf of the Information Technology Industry Council (ITI),¹ I write to express our support for H.R. 9, the Innovation Act. We urge the House of Representatives to take up this important legislation at the earliest opportunity, and we look forward to working with you and the Judiciary Committee to incorporate some additional changes to enhance the effectiveness of the legislation.

ITI companies are at the forefront of innovation and have some of the largest patent portfolios in the world tied to numerous goods and services offered to governments, commercial enterprises and consumers around the world. All too often, however, our companies must divert resources from their core business to defend themselves against abusive and costly lawsuits. We support efforts to improve patent quality and curtail much of what drives patent litigation abuse. Specifically, we appreciate the underlying bill's strong fee-shifting provision to give patent assertion entities (PAEs) a disincentive to bring baseless lawsuits, and the changes made during the Judiciary Committee markup that would strengthen the venue language to prevent forum shopping and bolster discovery reform. ITI supports these provisions as they made positive improvements to the bill.

In addition, the Innovation Act, as reported by the Committee, should be further strengthened by including two additional changes. First, we urge you to address the pleadings section of the bill, as reported, by including language that would deter vague pleadings and instead require plaintiffs to identify each claim of each patent that is allegedly infringed.

Second, ITI has concerns with changes in the legislation which would harm patent quality. We do not believe making changes to the U.S. Patent and Trademark Office's (USPTO) *inter partes* review (IPR) proceeding will accomplish our shared goal of reducing patent litigation abuse without also undermining patent quality. As a result, we oppose any changes to current law governing IPR proceedings.

The IPR proceeding implemented by the America Invents Act (AIA) has provided a useful tool to challenge the validity of issued patents that should have never been granted in the first place. The *inter partes* review procedure should be allowed to continue to serve its productive and intended purpose of improving patent quality. We urge the committee to strike language making changes to current IPR proceedings and focus on the need to fix the continued patent litigation abuse problem affecting the technology sector.

¹ **About ITI.** The Information Technology Industry Council (ITI) is the global voice of the tech sector. As the premier advocacy and policy organization for the world's leading innovation <u>companies</u>, ITI navigates the relationships between policymakers, companies, and non-governmental organizations, providing creative solutions that advance the development and use of technology around the world. Visit <u>www.itic.org</u> to learn more. Follow us on Twitter for the latest ITI news <u>@ITI_TechTweets</u>.



We thank you for your commitment to reforming abuse of the patent litigation system. We urge Members to support the Innovation Act and incorporate our aforementioned suggested changes. We look forward to continuing to work with you on the Innovation Act and other issues of interest to the technology sector.

Sincerely,

Dean C. Garfield President & CEO

cc: Members of the House of Representatives