

Eshoo Votes for Landmark Patent Reform Bill

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WASHINGTON, D.C. - Today, Congresswoman Anna G. Eshoo, D-Palo Alto, voted for and the House approved legislation to strengthen the U.S. patent system and improve the quality of patents which are vital to America's ability to compete globally in the 21st Century. The vote was 220 to 175.

Eshoo is a cosponsor of H.R. 1908, the Patent Reform Act of 2007. The bill modernizes the patent system for the first time in 55 years and creates a more effective process for considering patent challenges to deter frivolous, costly litigation.

"Patents and intellectual property are the cornerstone of the Information Economy. That's why it's essential that the U.S. patent system continues to foster ideas and innovation which fuel our economy and keeps America competitive," Eshoo said. "Unfortunately, the patent system has been subject to abuse. Unscrupulous opportunists have exploited the rights granted to legitimate patent holders to target innovative companies with groundless lawsuits."

Technology companies have become particularly enticing targets of litigation. A single piece of high-tech equipment can contain hundreds of patents, and any one of them can be used to sue for the value of the entire product. Just one company in Silicon Valley - Cisco Systems - spent \$45 million this year to defend patent infringement cases.

"The Patent Reform Act restores balance to the patent system by rewarding novel ideas and cutting edge innovation, not successful litigation strategies," Eshoo said.

The Patent Reform Act of 2007:

- Establishes a "first-to-file" system which grants patent rights to the first person to file an application with the U.S. Patent and Trademark Office, rather than the first to invent. This new standard creates greater certainty for inventors and harmonizes U.S. law with other countries;

- Creates safeguards to ensure more thorough review of patent applications and prevent illegitimate patent claims from being granted;

- Ensures that fair compensation for patent infringement is granted that reflects the true value of the patents involved;
and

- Prevents forum-shopping which has created a preferred court for patent plaintiffs in a single U.S. District Court.

The bipartisan legislation enjoys broad support throughout the technology industry, leading universities, including the University of California, as well as the Consumer Federation of America, Consumers Union, and U.S. PIRG.

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