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## **Strategy Session**

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## **Patent Reform great debate continues...**

By Debra Bulkeley

The debate continues to percolate about [The Patent Reform Act of 2007](#) that was introduced last month to the House and Senate. Many say the bill is essential for the U.S. to maintain its competitiveness. Sounds like a reasonably good thing to support. But not so fast...

I spoke with Bryan Lord, vice president of finance and licensing and general counsel for [AmberWave Systems](#), a N.H.-based company that is involved in the research, development and licensing of advanced technologies for semiconductor manufacturing. AmberWave is among the more than 100 universities, VC firms, small and large technology businesses and research parks across the country that sent [a letter](#) last week to key lawmakers, stressing the adverse consequences the bill, as written, would have on their ability to innovate.

“What this (the Patent Reform Act of 2007) is really about is focusing on the patents that have the highest value in the marketplace and invalidating those,” Lord says.

As Lord put it, the two big issues for the group “have to do with making patents easier to bust and making it cheaper to infringe.” The letter also expressed concern with the proposed bill that included an open-ended post-grant opposition system and a narrow first-to-file grace period.

For his company, the bill as written would be “devastating.” “We focus on addressing the middle part of the research continuum,” he explains. “Manufacturing companies invest in commercial applications; we focus on the “d” part of the research continuum. We rely on strong patents. If those patents are weaker it makes it harder to raise capital.”

Everyone is clearly not on the same page when it comes to this bill.

There are several special interest groups speaking out on the legislation, including the [Coalition for Patent Fairness](#); [The Coalition for 21<sup>st</sup> Century Patent Reform](#), and [The Innovation Alliance](#). (AmberWave is a member of The Innovation Alliance.)

On the one hand you have the view that the U.S. patent system is in dire need of being reformed to reach its goal of “promoting innovation for the good of inventors, consumers and the economy. The current system is allowing baseless patent claims to be made for the purpose of exploiting loopholes and imbalances in the patent system,” according to the Coalition for Patent Fairness. (Its members are described as a diverse group of companies and industry associations. Some of the companies that signed the Coalition’s Feb. 1, 2007, letter to Congress, urging lawmakers to make patent reform a priority in the 110th Congress, include Xilinx, Agilent, Cadence Design Systems, Lenovo, Broadcom, and Apple.)

The Alliance says that patent reform measures should not disadvantage emerging, pro-innovation, patent-dependent businesses and their surrounding ecosystem. The group further states on its web site that the patent system is not fundamentally broken or in need of sweeping reform, but can and should be improved through a legislative focus on improving patent quality.

What does the group hope to accomplish with the letter?

“The reality,” Lord says, “is that this is a group of folks who are recognizing this issue and comparing notes with each other. We’re trying our hardest to raise awareness. The companies that are pushing the reform proposals are not speaking for the entire industry.”