



BIO Statement on PREVAIL Act

The House and Senate introduced important bipartisan legislation today that will reform the *inter partes* post-grant review process, bringing fairness and finality to these Patent and Trademark Office proceedings. The Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act) also will enhance patent quality by ensuring that all fees paid to the PTO are used for their intended purposes and will crack down on abuses of the patent review system.

“Strong intellectual property protections sustain America’s global leadership in biotechnology innovation and the creation of hundreds of thousands of high-wage, high-value jobs throughout our country,” said Hans Sauer, BIO’s Vice President for Intellectual Property. “BIO has long supported the balanced and bipartisan reform proposals embodied in this important legislation. We commend Senators for introducing this important legislation and thank them for their continued leadership on this critically important issue. Without strong patent rights, the financing to take revolutionary biotechnology discoveries from the lab to the patient, farmer, and consumer would be unavailable. Weak or inconsistent patent protections threaten new investment in the innovation sector of our economy and, with it, the jobs and industries of the future.”

BIO supports the PREVAIL Act and will continue to advocate for passage of legislation that better supports inventors, investors, and the people waiting for new innovations to improve their lives and their environment.

About BIO BIO is the world's largest life sciences trade association representing nearly 1,000 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative biotechnology products that will help to solve some of society’s most pressing challenges, such as managing the environmental and health risks of climate change, sustainably growing nutritious food, improving animal health and welfare, enabling manufacturing processes that reduce waste and minimize water use, and advancing the health and well-being of our families.



For Immediate Release:
June 22, 2023

Contact: Dave Mohel
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Patent Reform Legislation Introduced

PREVAIL Act Offers Solutions to Flawed System

A bipartisan group of US Senators introduced the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act today aimed at updating and reforming the current patent system.

“The Market Institute's Inventor's Project supports the PREVAIL Act, and its goal of fixing the Patent Trial and Appeal Board. Patents are the only right explicitly in the constitution,” said Charles Sauer, president of the Market Institute. “Patents are what have made America the country that we are today. The Inventor's Project stands behind any bill that helps protect and promote patents.”

The legislation was introduced by U.S. Senators Chris Coons (D-DE), Thom Tillis(R-NC), Dick Durbin (D-IL), and Mazie Hirono (D-HI) and will reform the U.S. Patent and Trademark Office (USPTO) and the Patent Trial and Appeal Board (PTAB).

“It is American invention and innovation that drives the economy,” Sauer continued. “These much-needed reforms will help ensure the United States leads the world in advancing technology and protecting the men and women at the forefront of creation.”

The Market Institute is a 501c4 non-profit organization that specializes in **taking complex issues and simplifying them**. This increases the audience, amplifies the argument, and creates effective public policy education.



For Immediate Release

June 22, 2023

Innovation Alliance Statement on the PREVAIL Act of 2023

*Bill Would Restore Needed Fairness to the PTAB Process,
Help Protect Innovators from Big Tech Harassment*

WASHINGTON, D.C. – Innovation Alliance Executive Director Brian Pomper today issued the following statement on the bipartisan Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL) Act of 2023, introduced in the Senate by Senators Chris Coons (D-DE), Thom Tillis (R-NC), Dick Durbin (D-IL) and Mazie Hirono (DHI):

“The Innovation Alliance commends Senators Coons, Tillis, Durbin and Hirono for introducing the PREVAIL Act. This important legislation will restore much needed fairness to the USPTO’s Patent Trial and Appeal Board (PTAB) process and help protect American innovators from harassment by Big Tech and other companies who violate intellectual property rights.

“The quasi-judicial PTAB was intended to provide a quick and cost-effective alternative to district court litigation for resolving patent disputes. Instead, the PTAB process is being abused by Big Tech and others who use the administrative body to repeatedly attack the patents of smaller innovators so they can use others’ inventions without paying licensing fees. This is undermining patent rights, which provide a critical incentive for innovation in the United States.

“Despite claims that the PTAB process benefits small businesses, the most frequent [users](#) and beneficiaries of the PTAB system have been Big Tech companies, along with large Chinese tech companies such as ZTE and Huawei, who have filed hundreds of PTAB petitions to challenge the patents of smaller competitors. With armies of lawyers and nearly bottomless resources, these Big Tech companies have also used the PTAB to file multiple challenges against the same patents, forcing small inventors to drain their resources defending their innovations again and again.

“It is clear that the PTAB tilts the scales in favor of those seeking to invalidate patents. According to one [analysis](#), 84% of patents challenged at the body were partially or wholly invalidated, compared to 30% of patents challenged in district court. These statistics led a

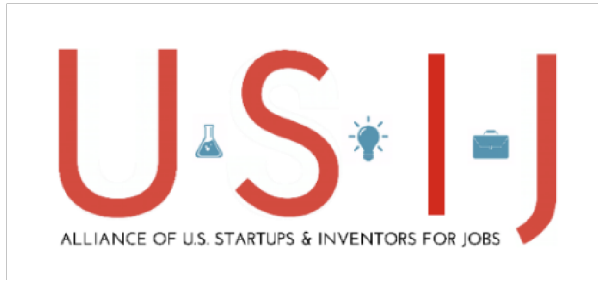
former Federal Circuit Chief Judge to describe the Board as a 'death squad killing property rights.'

"To restore fairness at the PTAB, the PREVAIL Act will limit the ability of infringers to launch repetitive and harassing challenges against inventors. And it will harmonize the standards between the PTAB and district courts so infringers can't pick a path of least resistance for their patent challenges. This is smart legislation that will put a stop to this Big Tech abuse and protect American innovators. Congress should take up this bill and pass it now."

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ABOUT THE INNOVATION ALLIANCE

The Innovation Alliance represents innovators, patent owners and stakeholders from a diverse range of industries that believe in the critical importance of maintaining a strong patent system that supports innovative enterprises of all sizes. Innovation Alliance members can be found in large and small communities across the country, helping to fuel the innovation pipeline and drive the 21st century economy. Learn more at www.innovationalliance.net.



FOR IMMEDIATE RELEASE:

Today, Senator Chris Coons (D-DE), Chair of the Senate Judiciary Subcommittee on Intellectual Property, introduced the Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act). It was cosponsored by Subcommittee on Intellectual Property Ranking Member Thom Tillis (R-NC). Chris Israel, executive director of The Alliance of U.S. Startups & Inventors for Jobs, issued the following statement on the bill:

"This landmark legislation will help restore balance to America's patent system by making muchneeded reforms to the U.S. Patent and Trademark Office's Patent Trial and Appeal Board (PTAB).

"PTAB was intended as a speedy, low-cost alternative to challenging a patent in district court. Today, it is being inappropriately used as a supplement to litigation, which unfairly targets small businesses and inventors with limited financial means.

"Duplicative and abusive challenges on valid U.S. patents have cost disruptive startups billions of dollars and countless hours that are taken away from building new companies and making our economy more competitive. PTAB has allowed large incumbents companies to simply ignore the patents of disruptive competitors. This has had a chilling effect on venture investment for important new technologies and forced many companies and entrepreneurs to stop inventing altogether.

"The PREVAIL Act would change this course and codify important changes to PTAB, including prohibiting duplicitous proceedings and requiring that PTAB challengers have standing. We urge lawmakers to pass this legislation without delay."

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About The Alliance of U.S. Startups & Inventors for Jobs

USIJ is an association of inventors, startups, venture capital investors, entrepreneurs and supporters, whose efforts to bring new companies and new technologies into being are entirely dependent on a reliable system of patent protection. Collectively, we have launched dozens of companies in areas including biotechnology, clean energy, medical devices and wireless technology.



The Coalition for 21st Century Patent Reform

21C Welcomes the Introduction of the Prevail Act

Washington, D.C. - 21C welcomes the introduction of the Promoting and Respecting Economically Vital American Innovation Leadership Act (the "PREVAIL Act") to improve the reliability and effectiveness of United States patent protection. America's leadership in innovation is critically important to the US economy, to global competitiveness and to our national security. Our patent system promotes the creation and development of new technologies that spur economic growth and create jobs, and needs to be strengthened. 21C agrees that substantial reforms are needed to address the unintended consequences that have resulted from Congress's establishment of the Patent Trial and Appeal Board in 2011.

Accordingly, 21C agrees that a number of changes to USPTO procedures are needed to ensure that owners of granted U.S. patents will enjoy quiet title throughout their statutory terms, and they will not be taken away from patent owners without due process of law. See www.PatentsMatter.com.

We want to thank Senators Chris Coons (D-DE), Thom Tillis (R-NC) and Representatives Ken Buck (R-CO) and Deborah Ross (D-NC) for advancing the dialog on improvements to our nation's patent laws and we look forward to working with all stakeholders to build broad, bipartisan support for a more secure and reliable patent system that advances American innovation.

The Coalition for 21st Century Patent Reform represents 18 diverse industry sectors and includes many of the nation's leading manufacturers and researchers. The coalition's steering committee, which is chaired by Philip S. Johnson, includes 3M, Bristol-Myers Squibb, Eli Lilly, General Electric, Johnson & Johnson, The

Boeing Company, and Raytheon Technologies. For more information, visit <http://www.patentsmatter.com>.



The Council for Innovation Promotion (C4IP) Applauds Senators Tillis and Coons' Introduction of Bills to Kickstart American Innovation

WASHINGTON (June 22) — Today, Senators Thom Tillis and Chris Coons introduced two complementary bills to strengthen intellectual property rights in the United States. C4IP strongly supports these bills, as they would act as vital safeguards to Americans' constitutionally enshrined IP rights.

One bill seeks to reform a recent administrative review process of issued patents to make it more balanced and in line with its original intent, and the other more carefully delineates which inventions are eligible for patent protection in response to recent Supreme Court cases that have injected confusion into the area.

“Senator Tillis and Senator Coons both clearly appreciate the importance of strong intellectual property rights as the foundation to our economic vitality — and they deserve immense praise for introducing these bills,” said Dave Kappos, board co-chair of C4IP and former Under Secretary of Commerce for Intellectual Property and USPTO Director from 2009 to 2013. “C4IP applauds this legislation and hopes that members of both parties help turn it into law.”

“The United States is at a pivotal moment in its history as we face unprecedented competition for leadership in technology,” said Andrei Iancu, board co-chair of C4IP and former Under Secretary of Commerce for Intellectual Property and USPTO Director from 2018 to 2021. “With the introduction of these critically important bills, Senators Coons and Tillis are leading the nation towards a more reliable and predictable patent system that will energize American inventors and help maximize our innovation output.”

The Promoting and Respecting Economically Vital American Innovation Leadership Act

(PREVAIL) and the Patent Eligibility Restoration Act (PERA) of 2023, introduced by Senators Coons and Tillis respectively, would implement several important reforms, including:

- Giving challengers of a patent’s validity the choice of forum, either court or at the Patent Trial and Appeal Board (PTAB), but limiting them to only one — thereby ensuring that patent owners do not need to fight multiple costly and duplicative legal battles on the same issues
- Ensuring that “clear and convincing evidence” is needed to invalidate a patent at the PTAB, the same standard used in district courts and which recognizes that issued patents have already undergone extensive examination at the Patent Office
- Providing additional safeguards aimed at ensuring balance and fairness to both patentees whose patents are subject to validity challenges in the PTAB, as well as those seeking to challenge patent validity
- Clarifying that important categories of inventions in fields like life sciences diagnostics and computer-implemented innovations are eligible for patent protection
- Incentivizing investment in innovation by providing clear patent eligibility standards

“The 118th Congress must prioritize the clarification of patent eligibility and the utilization of the clear and convincing evidence standard at the PTAB,” stated Judge Kathleen O’Malley (ret.), former Judge of the U.S. Court of Appeals for the Federal Circuit. “Without these essential measures, the incentives to foster innovation in the United States will diminish to the detriment of our future prosperity and well-being.”

“American innovators are fueled by an abundance of groundbreaking possibilities, but need to be supported by a sound legal intellectual property framework,” said Frank Cullen, executive director of C4IP. “These thoughtfully crafted bills bolster and help safeguard our IP system, empowering creators and fostering a dynamic environment for ideas to thrive. C4IP stands behind these bills and the Senators’ efforts.”

“It is imperative that we solidify the future of innovation in our nation with careful and balanced intellectual property laws,” emphasized Judge Paul Michel (ret.), former Judge of the U.S. Court of Appeals for the Federal Circuit. “Such an endeavor is simply unattainable without the critical reforms enshrined within these bills.”

About the Council for Innovation Promotion

The Council for Innovation Promotion is a bipartisan coalition dedicated to promoting strong and effective intellectual property rights that drive innovation, boost economic competitiveness, and improve lives everywhere.



Leading the Conservative Movement since 1981

EAGLE FORUM EDUCATION & LEGAL DEFENSE FUND

The Honorable Chris Coons
218 Russell Senate Office Building United States Senate
Washington, DC 20510

The Honorable Ken Buck
2455 Rayburn House Office Building United States Congress
Washington, DC 20515

The Honorable Thom Tillis
113 Dirksen Senate Office Building United States Senate
Washington, DC 20510

The Honorable Deborah Ross
1221 Longworth House Office Building United States Congress
Washington, DC 20515

Dear Senators Coons and Tillis and Representatives Buck and Ross:

Thank you for your leadership regarding restoration of secure patents. Eagle Forum Education & Legal Defense Fund, a nonprofit organization founded by Phyllis Schlafly in 1981, affirms our constitutionally grounded intellectual property rights and inventors' ability to rely on and defend their patents.

Policies such as those in the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act would help secure the property rights of inventors, small businesses, universities, and other patent owners. This approach would close avenues for abusive tactics involving administrative proceedings before the Patent Trial and Appeal Board (PTAB), while the adoption of a code of conduct for administrative patent judges (APJs) may reduce current public skepticism toward PTAB's rulings.

Currently, the administrative reviews allow patent infringers and others multiple bites at the apple that devalue patents—the key to America's leadership in innovation. Curtailing the availability of predatory tactics for gaming the system would reduce the drain on inventors' and start-ups' resources, raise the certainty of patent validity, and protect patent value. By reducing

multiple challenges, such as through serial and parallel proceedings, patent owners could exercise their patent exclusivity in constructive channels. Ending fee diversion improves patent examination and quality.

Avenues such as those taken in the PREVAIL Act are reasonable, focused, and constructive. Thank you for your well considered approach on these matters.

Respectfully,

Ed Martin President

Phyllis Schlafly, *Founder* | Ed Martin, *President* | Marylin Shannon, *Chairman* | John Schlafly, *Treasurer*

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June 22, 2023

A handwritten signature in blue ink that reads "Ed Martin" with a horizontal line extending from the end of the name.



**Conservatives
for
Property Rights**

The Honorable Chris Coons
218 Russell Senate Office Building United States Senate
Washington, DC 20510

The Honorable Ken Buck
2334 Rayburn House Office Building United States Congress Washington, DC 20515

June 22, 2023

The Honorable Thom Tillis
326 Russell Senate Office Building United States Senate
Washington, DC 20510

The Honorable Deborah Ross
2366 Rayburn House Office Building United States Congress Washington, DC 20515

Dear Senators Coons and Tillis and Representatives Buck and Ross:

Conservatives for Property Rights (CPR) is pleased to support the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. Thank you for your leadership on this important issue.

CPR emphasizes the central importance of private property in all its forms—physical, personal, and intellectual. The right to private property ranks among the unalienable rights the Founders referenced in the Declaration of Independence, and they put exclusive patent rights in the Constitution itself. Thus, property rights transcend conservative and liberal politics.

The PREVAIL Act would secure private property rights to inventions and give quiet title, which is crucial for commercialization and investment. That will boost the United States's competitive edge in emerging technologies important to our economic and national security.

The bill would reform the aspects of the Patent Trial and Appeal Board (PTAB) that have been most subject to abuse by patent infringers, Big Tech, Chinese nationally favored champions, and even hedge funds. To date, PTAB has enabled virtually anybody to challenge patent validity repeatedly and viciously. Such abuse has deprived inventors of certainty, reliability, and enforceability of a property right constitutionally declared to be exclusive for a limited period of time. Further, as structured and operated, this actually empowers an administrative body to arrogate judicial power over Article III courts in patent litigation matters.

The PREVAIL Act moves to make meaningful the one-year time bar for challenging a patent and ensure that appropriate parties have one bite at the apple, rather than unlimited ways to game the system with never-ending challenges against a patent. PREVAIL imposes reasonable limits on inter partes (IPR) and postgrant review (PGR) challenges, more closely approximating Congress's intent of a faster, cheaper alternative to patent validity litigation in court. PREVAIL's approach would effectively bolster patent examination decisions.

PREVAIL would create a standing requirement that limits PTAB challenges to a party facing a patent infringement lawsuit. It would keep alleged infringers' allies, such as financial partners, from leveling repeated challenges at the same patent. It would curb serial and parallel proceedings against a patent. Prior art and arguments could only be employed once, not trotted out repeatedly. The bill would codify the *Phillips* claim construction standard and the "clear and convincing evidence" burden of proof, raising PTAB's low thresholds to the high standards applied in federal court and at the International Trade Commission (ITC).

The PREVAIL Act properly calls for PTAB to defer to Article III judicial and ITC determinations of patent validity, ensuring that those bodies' adjudicatory decisions settle validity questions. It would confine a PTAB judge's involvement in matters regarding a certain patent to either the institution of a proceeding stage or the PTAB proceeding itself. Importantly for PTAB's credibility, the bill would require PTAB to establish a code of ethical conduct for administrative patent judges (APJs) and reduce the PTO director's ability to manipulate IPR and PGR APJ panels to achieve a desired outcome regarding a patent or patent owner.

CPR applauds the elimination of patent application fee diversion from the PTO, thus ensuring timely and thorough patent examination, and addressing small businesses' and universities' particular concerns.

PREVAIL would help alleviate the damage inflicted on our patent system, on inventors who face the prospect of lost commercial traction during what is supposed to be their exclusive ownership and use of their invention, and on the erosion of property rights in the patent arena. Further, the legislation would raise public confidence in this administrative body.

Conservatives for Property Rights commends the PREVAIL Act and looks forward to working with you to advance this worthy legislation.

Sincerely,

James Edwards
Executive Director
Conservatives for Property Rights