

April 29, 2025

Senator Thom Tillis
Chairman
Senate Judiciary Committee Subcommittee on Intellectual Property

Senator Chris Coons Ranking Member Senate Judiciary Committee Subcommittee on Intellectual Property

Dear Senator Tillis and Senator Coons:

I am writing on behalf of Adeia Inc., a publicly-traded U.S research and development (R&D) company (NASDAQ: ADEA) that invents and develops next-generation technologies for the media and semiconductor industries. Adeia is among the most innovative companies in America, ranking in the Top 75 of all organizations worldwide that were granted the most patents by the U.S. Patent and Trademark Office (USPTO) in 2024.¹

Adeia strongly supports the Patent Eligibility Restoration Act (PERA) and the Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL). PERA and PREVAIL, if enacted, will strengthen and restore intellectual property protections for U.S. inventors, fueling American economic growth, technological progress, and global competitiveness. The bills make critical improvements to the U.S. patent system by clarifying patent eligibility standards and restoring much needed balance to administrative patent validity proceedings.

Adeia, much like other American R&D and growth tech companies, relies heavily on stable and reliable patent protection to support its business. A strong patent system is essential to incentivizing and protecting Adeia's investments in new, emerging technologies. For this reason, we commend you both for your leadership and unyielding commitment to the strengthening of the U.S. patent system through the reintroduction of PERA and PREVAIL.

Very truly yours,

Mike Spillner

Head of Government Affairs and Public Policy

Adeia Inc.

https://ipo.org/wp-content/uploads/2025/01/2024-Top-300-Patent-Owners-List.pdf



FOR IMMEDIATE RELEASE

April 28, 2025

The Alliance of U.S. Startups and Inventors applauds the reintroduction of the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act.

WASHINGTON, D.C. — The Alliance of U.S. Inventors and Startups for Jobs (USIJ) applauds the reintroduction of the PREVAIL Act and thanks Senators Chris Coons (D-DE), Thom Tillis (R-NC), Dick Durbin (D-IL), and Mazie Hirono (D-HI), along with Representatives Deborah Ross (D-NC) and Nathaniel Moran (R-TX), for their leadership on this critical, bipartisan legislation. Their commitment to strengthening the U.S. patent system reflects a clear understanding of the challenges facing American inventors and the importance of reliable intellectual property protections to our innovation-driven economy.

The PREVAIL Act addresses long-standing concerns about abuse of post-grant proceedings at the Patent Trial and Appeal Board (PTAB), which have disproportionately harmed startups, small businesses, and individual inventors. By aligning PTAB procedures with those of federal courts, imposing a standing requirement, requiring clear and convincing evidence to invalidate a patent, and curbing duplicative and serial challenges, the bill restores much-needed fairness, predictability, and efficiency to the patent system. These reforms will help ensure that patent rights are not merely theoretical, but practically enforceable — encouraging investment in breakthrough technologies and protecting America's innovation leadership.

We commend the sponsors for advancing this thoughtful and balanced proposal, which builds on the momentum of strong bipartisan support in the last Congress. The PREVAIL Act is a meaningful step toward revitalizing the U.S. patent system, and we urge Congress to move swiftly to enact it into law.

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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 research organizations 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, cybersecurity, AI, semiconductors, medical devices and wireless technology.

Press Contact:

Chris Israel, USIJ (202) 327-8100 israel@acg-consultants.com



American Intellectual Property Law Association

April 29, 2025

The Honorable Thom Tillis Chair U.S. Senate Judiciary Subcommittee on Intellectual Property U.S. Senate 113 Dirksen Senate Office Building Washington, D.C. 20510 The Honorable Christopher Coons Member U.S. Senate Judiciary Subcommittee on Intellectual Property U.S. Senate 218 Russell Senate Office Building Washington, D.C. 20510

RE: PREVAIL Act

Dear Chair Tillis and Member Coons:

The American Intellectual Property Law Association (AIPLA) is pleased to express its strong support for the reintroduction of the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act, in the 119th Congress. This legislation offers balanced and much-needed reforms to the Patent Trial and Appeal Board (PTAB) that will protect patent owners' rights while maintaining the integrity and efficiency of administrative patent challenges.

AIPLA is a national bar association of approximately 7,000 members including professionals engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

Since the enactment of the America Invents Act (AIA), post-grant review procedures such as inter partes review (IPR) have played an increasingly prominent role in patent enforcement. While these proceedings have provided effective means to challenge questionable patents, concerns have grown over procedural fairness, duplicative litigation, and the burden placed on inventors and startups. The PREVAIL Act addresses these concerns by introducing reforms that restore more balance and improve transparency in PTAB practice.

Among other provisions, PREVAIL establishes a clear and convincing evidence standard for petitioners, curbs repeated challenges against the same patent, and ensures that administrative patent judges who decide to institute review are not the same judges who decide the merits. These and other reforms in the legislation reflect a thoughtful approach to maintaining the utility of IPR while addressing concerns and aligning standards with district court litigation.

AIPLA Letter in Support of the PREVAIL Act April 29, 2025 Page 2

We commend the sponsors of this legislation for their bipartisan leadership and commitment to strengthening the U.S. patent system. AIPLA urges the Senate Judiciary Committee to advance the PREVAIL Act promptly to help ensure procedural fairness for patent owners and preserve the incentives that drive innovation and investment.

Thank you for your attention to this important matter. We look forward to working with the Committee to advance this legislation and support a more robust and reliable patent system.

Sincerely,

Vincent E. Garlock

Vivent & Garlack

Executive Director

American Intellectual Property Law Association

CC: Members of the Senate Judiciary Committee



STATEMENT BY STEPHEN SUSALKA CEO, AUTM ON INTRODUCTION OF THE PREVAIL ACT MAY 1, 2025

"AUTM – the technology transfer professionals association – thanks Senator Coons and his colleagues for re-introducing the PREVAIL Act in the 119th Congress.

"One of the worst intended consequences from the passage of the America Invents Act in 2011 was the way in which the Patent Trial and Appeals Board process has become a distorted way to block legitimate innovation. This legislation will halt serial challenges and bring the PTAB process into better balance with the rules used in federal court.

"Universities need certainty if they are to fully advance the discoveries made on their campuses. This legislation moves us in that direction, and AUTM looks forward to working with the Judiciary Committee to advance its goals."



Celebrating the past. Protecting the future.

April 30, 2025

Senate Committee on the Judiciary 224 Dirksen Senate Office Building Washington, DC 20510

Dear Senator:

On behalf of the Bayh-Dole Coalition, I would like to reaffirm our support for the bipartisan, bicameral *Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act* and the *Patent Eligibility Restoration Act (PERA)*. These bills would strengthen the U.S. patent system and uphold the principles of the Bayh-Dole Act, which provides the legal framework for turning federally funded research into real-world inventions.

As you may recall from our <u>previous letter</u>, the Bayh-Dole Coalition is a group of innovation-oriented organizations and individuals committed to celebrating and protecting the Bayh-Dole Act, as well as informing policymakers and the public of its many benefits. Because the success of Bayh-Dole depends on a robust and stable patent system, the PREVAIL Act and PERA are essential to restoring clarity and fairness where it has eroded -- ensuring that publicly funded discoveries continue to attract investment, drive progress, and deliver value to the American people.

The <u>PREVAIL Act</u> addresses persistent issues at the Patent Trial and Appeal Board (PTAB), which currently permits repetitive challenges against innovators' patents. By restoring procedural fairness and limiting duplicative challenges, PREVAIL would provide <u>critical protections</u> for university inventors and other small entities, helping ensure that federally funded breakthroughs can progress from lab to market.

<u>PERA</u> addresses another foundational concern: the uncertainty around which types of inventions are eligible for patent protection. From life-saving diagnostic tools to AI-driven technologies, entire categories of cutting-edge innovation remain mired in ambiguity. PERA would <u>restore</u> much-needed clarity to eligibility standards, empowering researchers and investors to pursue breakthroughs that often originate in public research institutions and are vital to national competitiveness.



Together, these legislative efforts would reinforce the pillars of American innovation by ensuring that our patent system empowers, rather than obstructs, inventors. We commend the Committee's leadership in advancing these important reforms and urge you to preserve their core provisions, as the strength of our innovation economy depends on it.

Sincerely,

Joseph P. Allen

Executive Director

Bayh-Dole Coalition

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BIO APPLAUDS NEW LEGISLATION TO PROTECT PATENT RIGHTS AND PROMOTE U.S. INNOVATION

WASHINGTON, D.C. -- The Biotechnology Innovation Organization praised lawmakers for introducing two bipartisan, bicameral bills that'd strengthen America's patent system and accelerate medical progress:

"The Biotechnology Innovation Organization commends Senators Thom Tillis (R-NC) and Chris Coons (D-DE) and Representatives Kevin Kiley (R-CA) and Scott Peters (D-CA) for spearheading the Patent Eligibility Restoration Act (PERA Act). It likewise applauds Senators Coons and Tillis and Representatives Nathaniel Moran (R-TX) and Deborah Ross (D-NC) for their Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act)."

"PERA will finally clarify which inventions are eligible for patent protection. The existing uncertainty -- created by a series of Supreme Court decisions -- undermines researchers' cutting-edge work and makes it harder for American innovators to invest in R&D. At a time when the American people are demanding that critical industries be brought home, we cannot afford to place our innovators at a disadvantage with overseas competitors."

"The PREVAIL Act will empower startups and small businesses by realigning the Patent Trial and Appeals Board with Congress's original intent. Lawmakers had hoped the PTAB would provide a faster and cheaper *alternative* to costly federal court litigation. But over the past decade and a half, entrenched corporations have abused PTAB proceedings, using them to harass innovators with expensive, duplicative patent challenges in two forums at once."

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About the Biotechnology Innovation Organization: BIO is the world's largest advocacy organization, representing approximately 1,000 members with a central mission -- supporting the policies, regulations, and ecosystem that increase access to innovation and make our industry's discoveries possible. The majority of BIO's members are research-intensive biotechnology companies working on cutting-edge medical breakthroughs to improve the health of patients and families.



FOR IMMEDIATE RELEASE

May 1, 2025

Contact: info@cfif.org

Center for Individual Freedom Reiterates Strong Support for PERA and the PREVAIL Act

WASHINGTON, DC – Two bipartisan bills to help restore legal certainty and fairness for America's innovators were reintroduced today in Congress: the **Patent Eligibility Restoration Act (PERA)** and Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. The Center for Individual Freedom (CFIF) reiterates its strong support for both bills and urges their swift passage.

"China and other foreign competitors are working to surpass the United States as the world's innovation leader," said CFIF President Jeffrey Mazzella. "The stakes are extremely high. Yet, legal uncertainty on patent eligibility and a tipping of the scales at the Patent Trial and Appeal Board (PTAB) against patent holders have weakened America's patent system.

"It's time to reassert America's leadership to unleash U.S. innovation. Congress should act to pass PERA and the PREVAIL Act without delay," said Mazzella.

CFIF has long supported PERA and the PREVAIL Act, along with <u>other legislation</u> to strengthen patent rights. In November, CFIF released a <u>web video</u> urging Congress to pass PERA and the PREVAIL Act. The video features legal and policy experts who have appeared on CFIF's <u>IP Protection Matters podcast</u> explaining how the legislation will help clarify patent eligibility and provide balance to PTAB proceedings.

The legal and policy experts appearing in the web video include: The Honorable Paul R. Michel, former Chief Judge on the U.S. Court of Appeals for the Federal Circuit; Alden Abbott, Senior Research Fellow at Mercatus Center and former General Counsel at the Federal Trade Commission; Chris Israel, Executive Director of Alliance of U.S. Startups and Inventors for Jobs; James Edwards, Founder and

Executive Director of Conservatives for Property Rights; and Karen Kerrigan, President & CEO of the Small Business & Entrepreneurship Council.

Watch the video here and below.



PERA is sponsored in the U.S. Senate by Thom Tillis (R-NC) and Chris Coons (D-DE), and Representatives Kevin Kiley (R-CA) and Scott Peters (D-CA) in the U.S. House. The PREAVAIL Act is sponsored by Senators Coons and Tillis, and Representatives Deborah Ross (D-NC) and Nathan Moran (R-TX).

Link to release: https://cfif.org/v/index.php/press-room/7236-cfif-reiterates-strong-support-for-pera-and-the-prevail-act

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Coalition Against Socialized Medicine Applauds the Introduction of the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA).



May 1, 2025

ALEXANDRIA, VA, May 1, 2025 – The Coalition Against Socialized Medicine (CASM), a broad coalition of leading conservative groups, including the Conservative Political Action Coalition (CPAC), Heritage Action, the National Taxpayers Union, Club for Growth, Citizens Against Government Waste, and American Commitment, has issued the following statement on the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA).

"The Coalition Against Socialized Medicine (CASM) is thrilled to see the introduction of the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA). As a coalition comprised of conservative, pro-competition organizations, CASM is thankful that our lawmakers are working to preserve the intellectual property (IP) protections that enable a functioning free market and promote American research and development.

"PREVAIL and PERA would work to strengthen and clarify IP rights and reinforce legal protections for innovation. Previous policies have empowered outside actors to disrupt innovation and investment, impeding advancement in the vital healthcare industry. Fortunately, PREVAIL and PERA will help preserve the patent system, restoring momentum to our country's innovation pipeline.

"A pillar of freedom and innovation, IP protections promote competition while ensuring innovators can safely invest their time and money in new products. Patents are vital to fueling our free-market economy and medical sector, and both bills work to reinforce and uphold IP rights, promising continued innovation and progress.

"We urge Congress to act swiftly to pass the PREVAIL and PERA Acts, prioritizing the values that keep the U.S. the global leader of pharmaceutical innovation."



21C Applauds House and Senate Reintroduction of the PREVAIL Act

Washington, D.C., May 1, 2025 – 21C welcomes the bicameral, bipartisan reintroduction of the *Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act*, which is designed to enhance the reliability and effectiveness of U.S. patent protection. The bill introduces practical reforms to procedures at the U.S. Patent and Trial and Appeal Board (PTAB) that will play an important role in maintaining and administering patents that are essential to the health of the U.S. innovation ecosystem.

Overall, PREVAIL will provide more balance to PTAB procedures when conducting the IPR and post grant review (PGR) challenge proceedings that were established by Congress in 2011 through the enactment of the *America Invents Act* (AIA). Currently, the PTAB grants the vast majority of inter partes review (IPR) petitions, and once granted, a significant majority of these proceedings result in some or all the patent claims being invalidated by final written PTAB decisions. PREVAIL's revisions to the PTAB's rules and procedures should help to ensure that both patent challengers and owners will be treated fairly, regardless of the forum in which their patents are challenged.

21C believes that these and other such changes to USPTO procedures are needed to ensure that owners of granted U.S. patents will enjoy quiet title throughout their statutory terms, and that their patent rights will not be taken away from their owners without due process of law. 21C also agrees that substantial reforms are needed to address unintended consequences that have resulted from Congress's establishment of the PTAB in 2011. See www.PatentsMatter.com.

In the last Congress, the Senate Judiciary Committee advanced PREVAIL on a bipartisan basis – the first patent bill advanced by the Committee since the 2011 AIA. We thank Senators Chris Coons (D-DE) and Thom Tillis (R-NC), as well as Representatives Nathaniel Moran (R-TX) and Deborah Ross (D-NC), for their ongoing efforts to improve our nation's patent laws. We look forward to building on the significant progress made by the Judiciary Committee last year and working with all stakeholders to build broad, bipartisan support for a more secure and reliable patent system that fosters American innovation.

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Dear Republican Senator/Representative:

The signatories below, comprised of public policy, grassroots, and free enterprise organizations, write to express our support for the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act (S. 1553, H.R. 3160), the Patent Eligibility Restoration Act (PERA; S. 1546, H.R. 3152), and the RESTORE Patent Rights Act (S. 708, H.R. 1574). We urge your support for this legislation.

The PREVAIL Act would secure private property rights to inventions and give quiet title, which is crucial for commercialization of and investment in patented innovations. That will boost the United States's competitive edge, especially in emerging and standardized technologies important to our economic and national security. PREVAIL would reform the Patent Trial and Appeal Board (PTAB) by adding procedural and due-process guardrails to reduce abuses of the administrative patent challenge system. These changes would protect patent owners from infringers' ability to game the PTAB system through repeated challenges, even when a court of law has already upheld that patent's validity, and inordinate PTAB discretion to tilt the process.

PREVAIL would help alleviate the damage to our patent system, to inventors (such as those who have testified before the Senate and House Judiciary Intellectual Property Subcommittees in recent years) who face the prospect of lost commercial traction during what is supposed to be their exclusive ownership and use of their invention, and from the erosion of property rights in the patent arena. Further, the legislation would mitigate the public's misgivings regarding this administrative body.

The PERA Act would fully eliminate judicially created exceptions to patent eligibility. It would restore the congressionally intentional breadth of the section 101 threshold question as to what is patent-eligible subject matter, including of a "useful process." This bill would prohibit examiners, courts, the Patent Trial and Appeal Board, or others from considering substantive patentability requirements (sections 102, 103, and 112) or from fixating on a patent claim apart from the invention as a whole in a 101 threshold determination regarding a specific invention or discovery. PERA would settle the current disquiet of uncertain patent eligibility among courts.

The RESTORE Patent Rights Act would result in courts again enjoining ongoing patent infringement after a patent is proven valid and being infringed. This would remedy the adverse way in which federal courts have applied the U.S. Supreme Court's 2006 *eBay v. MercExchange* case. Over the past two decades, courts have created a categorical rule of denying permanent injunctions against proven infringers. This development denies the wronged party justice. It also stands diametrically opposite two centuries of historical precedent and practice. In short, RESTORE would provide patent owners the

same equitable relief available in cases involving all other forms of property, including other forms of intellectual property.

These three bills would bolster the reliability, certainty, and strength of American patents. They would clarify and refine elements of the patenting process, making it easier for legitimate patent claims to reach fruition and withstand what would become fairer, more consistent, impartial scrutiny once granted.

We strongly urge your support by cosponsoring the bipartisan, bicameral PREVAIL, PERA, and the RESTORE Patent Rights Acts. We look forward to working with you to advance this legislation to enactment.

Respectfully,

James Edwards
Executive Director

Conservatives for Property Rights

Steve Chartan

Vice President of Government Relations

Heritage Action for America

Jenny Beth Martin Honorary Chairman Tea Party Patriots Action

Seton Motley President

Less Government

Jeffrey Mazzella President

Center for Individual Freedom

George Landrith President

Frontiers of Freedom

Dee Stewart President

Americans for a Balanced Budget

Ryan Ellis President

Center for a Free Economy

Karen Kerrigan President & CEO

Small Business & Entrepreneurship Council

Kevin L. Kearns President

U.S. Business and Industry Council

Hon. J. Kenneth Blackwell

Chairman

Conservative Action Project

C. Preston Noell III

President

Tradition, Family, Property, Inc.

Charles Sauer President Market Institute

Anthony Zagotta

President

Center for American Principles

Ashley Baker Executive Director

The Committee for Justice

Tom DeWeese President

American Policy Center

Dick Patten President

American Business Defense Council

Paul Caprio Director

Family PAC Federal

Saulius "Saul" Anuzis

President

The American Association of Senior Citizens

Gerard Scimeca

Chairman

Consumer Action for a Strong Economy

Colin Hanna President

Let Freedom Ring

Bob Carlstrom Executive Director

Prosperity for US Foundation

Tom Giovanetti President

Americans for a Strong Economy

Martha Boneta Fain

President

Victory Coalition Strategies

Vote America First

James L. Martin Founder/Chairman 60 Plus Association

Matthew Kandrach

President

Consumer Action for a Strong Economy

Curt Levey President

The Committee for Justice

Daniel Perrin President HSA Coalition

David Williams President

Taxpayers Protection Alliance

Phil Kerpen President

American Commitment



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

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

Dear Senators Coons and Tillis:

Conservatives for Property Rights (CPR) strongly supports 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 national 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 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 to generally limit 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 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 establishment of a PTAB 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.

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

Sincerely,

James Edwards, Ph.D.
Founder and Executive Director
Conservatives for Property Rights

Ryan Ellis President Center for a Free Economy Kevin L. Kearns
President
U.S. Business & Industry Council

Jeffrey Mazzella President Center for Individual Freedom Tom DeWeese President American Policy Center

James L. Martin Founder/Chairman 60 Plus Association

George Landrith President Frontiers of Freedom

Anthony Zagotta
President
Center for American Principles

Charles Sauer President Market Institute Seton Motley President Less Government

Saulius "Saul" Anuzis President American Association of Senior Citizens

Matthew Kandrach President Consumer Action for a Strong Economy

Bob Carlstrom
Executive Director
Prosperity for Us Foundation



Andrei Iancu, Co-Chair
David Kappos, Co-Chair
Judge Paul Michel (Ret.), Board Member
Judge Kathleen O'Malley (Ret.), Board Member
Frank Cullen, Executive Director

May 1, 2025

The Honorable Thom Tillis 113 Dirksen Senate Office Building Washington, D.C. 20510 The Honorable Chris Coons 218 Russell Senate Office Building Washington, D.C. 20510

Dear Senators Tillis and Coons:

I am writing on behalf of the Council for Innovation Promotion (C4IP), a bipartisan coalition dedicated to promoting strong and effective intellectual property (IP) rights that drive innovation, enhance American economic competitiveness, and improve lives everywhere. C4IP is chaired by two former Directors of the U.S. Patent and Trademark Office (USPTO), Andrei Iancu and David Kappos, who served under Presidents Trump and Obama, respectively. Our board also includes two retired judges from the U.S. Court of Appeals for the Federal Circuit, former Chief Judge Paul Michel and Judge Kathleen O'Malley.

We write today to express C4IP's strong support for the reintroduction of the Patent Eligibility Restoration Act (PERA) and the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. We thank Senators Thom Tillis, Chris Coons, Dick Durbin, and Mazie Hirono as well as Representatives Deborah Ross, Nathaniel Moran, Kevin Kiley, and Scott Peters for their continued leadership on these issues.

Together, these bipartisan bills would restore clarity, fairness, and predictability to the U.S. patent system. Because the patent system provides the foundation for our country's innovation engine, the improvements that these bills would make would directly support innovators — ensuring that they have the confidence and incentives needed to invest in research and development, leading to strengthened economic growth and sustained American leadership in innovation.

For over a <u>decade</u>, U.S. innovators have faced profound uncertainty regarding what types of inventions qualify for patent protection under Section 101 of the Patent Act. <u>Judicial decisions</u> have introduced vague, subjective, and unpredictable eligibility tests. As a result, inventors, research institutions, and investors are often left unsure whether critical advances — particularly in cutting-edge fields like medical diagnostics, biotechnology, artificial intelligence, and computer-implemented technologies — can be protected.



This uncertainty has <u>chilled investment</u>, slowing the commercialization of groundbreaking discoveries and weakening America's competitiveness in sectors vital to public health, national security, and economic growth. Notably, U.S. patent eligibility doctrine has <u>become</u> unusually uncertain and restrictive compared to other advanced economies — leaving American innovators at a disadvantage as foreign competitors provide clearer, more reliable protections for emerging technologies.

PERA would restore clarity, certainty, and predictability by establishing straightforward, objective, and administrable standards rooted in statutory text. The bill would eliminate vague, judicially created exceptions like "abstract ideas" and "laws of nature," replacing them with understandable rules for what is eligible. It would ensure that genuine technological innovations, including diagnostics, biotechnology, and computer-implemented inventions, remain eligible for protection. By replacing subjective judicial tests with clear statutory guidance, PERA would revitalize investment, encourage research in critical fields, and restore Section 101 to its intended role of promoting innovation and economic growth in the 21st century.

While PERA addresses substantive eligibility standards, the PREVAIL Act would strengthen procedural fairness at the Patent Trial and Appeal Board (PTAB) by implementing targeted, commonsense reforms that promote fairness, efficiency, and consistency. The legislation would eliminate duplicative litigation by requiring challengers to choose their forum — either continuing a case in district court or proceeding before the PTAB — once the PTAB institutes a trial. It would also harmonize legal standards by requiring the PTAB to apply a clear and convincing evidence standard to invalidate patents and use the same claim construction standard applied in federal courts. In addition, PREVAIL would strengthen estoppel protections to prevent repetitive challenges across venues and ensure that only real parties in interest with a substantial stake may pursue PTAB proceedings.

These reforms would reduce wasteful duplication, improve consistency across venues, and ensure that patent rights are adjudicated under fair and predictable rules. By curbing strategic abuse of the PTAB process and reducing duplicative burdens on innovators, PREVAIL would make it easier for inventors to defend their patents without facing costly, repetitive, and burdensome proceedings. Strengthening procedural protections at the PTAB is essential to restoring balance to the U.S. patent system and supporting robust innovation and legitimate competition.



For America's innovative businesses, these improvements are especially critical. Today, large, well-resourced corporations can <u>exploit</u> procedural gaps by launching parallel, duplicative attacks on the same patent in multiple venues, forcing innovators to endure unsustainable litigation costs, prolonged uncertainty, and pressure to settle or abandon their rights. PREVAIL would restore fairness to the system by curbing these abusive tactics and ensuring that innovators have a meaningful opportunity to protect and enforce their IP rights.

Together, PERA and PREVAIL represent thoughtful, bipartisan solutions to restore confidence in America's patent system. Strong, reliable IP rights do not stifle competition — they drive it by fostering the incentives necessary for sustained innovation, dynamic economic growth, and American technological leadership. Without these critical reforms, the United States risks losing its innovation advantage to foreign competitors that offer more consistent and predictable protections for inventors.

We value your leadership in championing these critical reforms and urge Congress to prioritize the swift passage of PERA and the PREVAIL Act. C4IP stands ready to assist in advancing policies that strengthen America's IP system and secure its future as the global leader in innovation.

Sincerely,

Frank Cullen

Executive Director

Council for Innovation Promotion (C4IP)

Founded by Phyllis Schlafly in 1981

info@phyllisschlafly.com

April 30, 2025

The Honorable Chris Coons 218 Russell Senate Office Building U.S. Senate Washington, DC 20510 The Honorable Thom Tillis
113 Dirksen Senate Office Building
U.S. Senate
Washington, DC 20510

Dear Senators Coons and Tillis:

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' expectation to be able 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 startups' resources, raise the certainty of patent validity, and protect patent value. By reducing multiple challenges through serial and parallel proceedings and requiring PTAB deference to Article III courts, patent owners could exercise their patent exclusivity in constructive ways. Also, ending fee diversion would improve 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,
John Schlafle

John Schlafly Treasurer Andrew L. Sollofly

Andrew L. Schlafly Counsel

James Edwards

James Edwards Patent Policy Advisor



Statement from Heritage Action Executive Vice President Ryan Walker

"Heritage Action proudly supports the Patent Eligibility Restoration Act (PERA) and the Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act) to strengthen America's patent system, drive innovation, and bolster our global competitiveness. Congress must act now to ensure the United States remains a global leader in technological advancement and secure a stronger, more competitive future for America."





22 April 2025

Senator Thom Tillis Senate Committee on the Judiciary 224 Dirksen Senate Office Building Washington, DC 20510 Senator Chris Coons Senate Committee on the Judiciary 224 Dirksen Senate Office Building Washington, DC 20510

In re: the Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act)

Dear Senator Tillis and Senator Coons,

IEEE-USA writes to express full support for the *Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act)*. Thousands of U.S.-based members of IEEE depend on reliable and effective patent rights to secure the benefits of their inventions and technological innovations. High-tech inventions have driven the U.S. economy since IEEE founders Thomas Edison, Alexander Graham Bell, Nicola Tesla, and others gave birth to the revolution in electrical consumer products and services over a century ago. Like Edison, Bell, and Tesla, IEEE members rely on predictable and effective patent rights to license or otherwise commercialize their inventions in the innovation economy, growing jobs, and contributing to economic growth.

Following its creation in the *America Invents Act of 2011*, the Patent Trial and Appeal Board (PTAB) has dramatically weakened this key pillar of the U.S. innovation economy. Regardless of whether this was by design or by accident, the PTAB is rightly criticized for failing to protect the due process rights of patent owners. PTAB "shenanigans" — a phrase regularly used by Supreme Court Justices, lawyers, and commentators to refer to PTAB actions — are well known. Multiple PTAB petitions are filed to cancel the same patent — sometimes 30–40 petitions filed against the same patent. Some PTAB petitioners extort patent owners in exchange for not filing or withdrawing previously filed petitions. Big Tech companies extensively use PTAB petitions to harass patent owners with delays and costs as part of their predatory infringement tactics. PTAB rules and procedures also change with each new administration, and often many times in the same administration, as has occurred in the past three years. PTAB patent cancellation rates are approximately 83 percent, and cancellation rates have been 100 percent in some of the hearing programs, such as the now-defunct Transitional Covered Business Method program.

As a result, the PTAB has undermined the incentives for technological innovation and economic growth. It threatens the longstanding U.S. technological leadership in the global innovation economy, from digital telecommunication standards to next-generation technologies in artificial intelligence

IEEE-USA | 2001 L Street, N.W., Suite 700, Washington, D.C. 20036-4928 USA Office: +1 202 785 0017 | Fax: +1 202 785 0835 | E-mail: ieeeusa@ieee.org | Web: http://www.ieeeusa.org

and the Internet of Things. At a time when the U.S. faces geopolitical challenges from global competitors such as China, the U.S. should enact the PREVAIL Act and reform the PTAB.

The PREVAIL Act brings much-needed reform to an administrative tribunal that has destabilized the patent system. The legislation builds into the PTAB permanent, important procedural guardrails and other legal protections of patent owner rights. It will bring an end to the above-described abuses and bring balance back to the patent system.

IEEE-USA thanks Senator Tillis and Senator Coons for sponsoring PREVAIL and we ask that Congress pass this bill as soon as possible. Please do not hesitate to contact Erica Wissolik at e.wissolik@ieee.org or (202) 360-5023 if you have any questions or wish to discuss the issue with us further.

Sincerely,

Timothy T. Lee

IEEE-USA President

Tim Lee



For Immediate Release

May 1, 2025

Innovation Alliance Applauds Reintroduction of PREVAIL and PERA Patent Bills

Bipartisan, Bicameral Bills Will Strengthen Patent Rights to Promote U.S. Innovation and Global Technological Leadership

WASHINGTON, D.C. – Innovation Alliance Executive Director Brian Pomper today issued the following statement on the reintroduction of two bipartisan, bicameral pro-patent bills, the Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA):

"The Innovation Alliance applauds the reintroduction of PREVAIL and PERA. We thank Senators Chris Coons (D-DE) and Thom Tillis (R-NC) for sponsoring both bills, Representatives Nathan Moran (R-TX) and Deborah Ross (D-NC) for sponsoring PREVAIL, and Representatives Kevin Kiley (R-CA) and Scott Peters (D-CA) for sponsoring PERA.

"Together, these bipartisan, bicameral bills represent a commitment to strengthening inventors' rights and the U.S. innovation economy to ensure that we retain global technological leadership and can compete successfully with China and other countries around the world.

"The PREVAIL Act will restore much-needed fairness to the USPTO's Patent Trial and Appeal Board (PTAB) process, help protect American innovators from harassment by Big Tech and other companies who violate intellectual property rights, and promote U.S. technological advancement.

"PERA, which was drafted following years of study and deliberation with key stakeholders, makes critical reforms to patent eligibility law that will help restore certainty and predictability to the U.S. patent system.

"The Innovation Alliance greatly appreciates the members on both sides of the aisle who came together to work on reasonable modifications to PREVAIL and PERA to address concerns raised last fall. We now urge Congress to take up and pass these bills as soon as possible."

For more information on the PREVAIL Act, click <u>here</u>. For more information on PERA, click <u>here</u>.

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.

Contact: Paige Rusher, (202) 315-2352

Paige@SevenLetter.com



1333 H Street, NW Suite 400W Washington, DC 20005 Phone (202) 354-7171 Fax (202) 354-7176 www.medicaldevices.org

MDMA Statement of Support on Reintroduction of the Bipartisan "PREVAIL Act" and "PERA"

WASHINGTON, DC – The Medical Device Manufacturers Association's (MDMA) President and CEO Mark Leahey issued the following statement today applauding the bipartisan reintroduction of the "Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act)" and the "Patent Eligibility Restoration Act (PERA):"

"MDMA thanks Senators Thom Tillis (NC) and Chris Coons (DE) for the bipartisan reintroduction of the 'PREVAIL Act' and 'PERA.' These important bills would strengthen intellectual property rights, which ultimately results in new innovative cures, therapies and diagnostics to help address the needs of patients and providers. The United States cannot maintain and grow our leadership position in medical technology innovation without strong IP protections in place, and the 'PREVAIL Act' and 'PERA' would support this critical work to bolster our ecosystem."

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Statement of Chuck Hong, co-founder and CEO of Netlist CEO in Support of the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA)

April 30, 2025

As co-founder and CEO of Netlist, a small company that develops advanced memory technologies, I am writing to express our strong support for the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act and the Patent Eligibility Restoration Act (PERA). I applaud Senator Thom Tillis and Senator Chris Coons for reintroducing these important bills and urge the Senate to ensure their swift passage.

The Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act provides a critical opportunity to restore predictability and balance to the U.S. patent system. By curbing serial abuse and preventing duplicative challenges, while still disincentivizing frivolous lawsuits by NPE's, this legislation will protect innovators like Netlist from being outspent and outmaneuvered by larger competitors seeking to avoid compensating smaller firms for their inventions. The PREVAIL Act's reforms are essential not only for fairness but for maintaining the integrity of our innovation ecosystem. We strongly support this legislation and urge Congress to pass the PREVAIL Act to protect America's inventors and ensure that innovation continues to thrive.

In addition to our support for the PREVAIL Act, Netlist also strongly endorses the Patent Eligibility Restoration Act (PERA). The current state of patent eligibility in the U.S. has become alarmingly uncertain, with vague standards making it difficult for inventors to determine whether their innovations qualify for patent protection. As a company that depends on the strength of its intellectual property, Netlist understands the frustration of navigating an unpredictable system that undermines investment in groundbreaking technologies and places U.S. firms at a competitive disadvantage on the global stage.

PERA addresses these issues by clearly defining what is and is not eligible for patenting, eliminating the arbitrary judicial exceptions that have confused and weakened patent eligibility. By providing a straightforward and predictable framework, PERA will ensure that truly novel and non-obvious inventions, like those developed by Netlist, can be patented without the risk of being dismissed as "abstract." This clarity is vital for fostering confidence among innovators and investors, empowering them to bring new technologies to market without fear of endless legal uncertainty.

Netlist urges Congress to pass both the PREVAIL Act and the Patent Eligibility Restoration Act. Together, these reforms will strengthen the U.S. patent system, protect inventors, and help ensure that America remains a global leader in innovation.

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PO Box 14354, Research Triangle Park, NC 27709 919.281.8960

April 29, 2025

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

Dear Senator Tillis,

On behalf of the North Carolina Life Sciences Organization, I want to thank you for reintroducing the Patent Eligibility Restoration Act and the Promoting and Respecting Economically Vital American Innovation Leadership Act. These two pieces of important legislation will bring much needed certainty and protection for patent holders, particularly those early innovators, crucial to American ingenuity.

PERA brings certainty and overdue clarity to Section 101 of the Patent Act. The existing uncertainty in the law has been a major impediment to the cutting-edge work of our innovators. In addition, this legislation would also afford US innovators the same protection now enjoyed by their foreign counterparts. At a time when the American people are demanding that critical industries be brought home, this equal treatment will be especially important.

The PREVAIL Act will empower startups and small businesses by realigning the Patent Trial and Appeals Board with Congress's original intent. Lawmakers had hoped the PTAB would provide a faster and cheaper alternative to costly federal court litigation. Instead, it has been abused to make it much harder and more expensive for small innovators to protect their patents. Promoting fair treatment for inventors, improving efficiency and ensuring the USPTO has adequate resources to administer the patent system will work to again incentivize American innovation and enable small entrepreneurial companies to compete.

As you know, NCLifeSci represents the life sciences industry in North Carolina with over 250 members, both large and small, the great majority of whom rely on intellectual property as the basis of their business and the lifeblood with which they can raise funds to advance their technology and hopefully provide treatments and cures for patients, food to feed the world and sustainable options for our climate.

NCLifeSci applauds your commitment to hearing from interested parties and we look forward to working with you and helping you to ensure passage of these important safeguards to our American patent system.

Sincerely,

Laura F. Gunter President, NCLifeSci

Daniel Amburn, *Chairman* | Laura Gunter, *President* | Lauren Joyce, *Treasurer* | David Etchison, *Secretary* | Samuel Taylor, *Immediate Past President* | Neal Fowler, *Immediate Past Chairman*

Proposed reforms now being considered by Congress would remove damaging uncertainties and strengthen US patents at a time of major technological change

As the operator of patent pools related to 5G, Wi-Fi, IoT and video, Sisvel has a front-row seat to the creation and implementation of the technology standards that power growth and connectivity. Patent licensing plays a decisive role in determining how the economic benefits of these advances are distributed. Royalty flows are shaped by patent law and policy across the world's major economies.

Today, most of the influential legal decisions in this fast-developing area are being made by judges in the EU, the UK, India and China. That's partly because over the last 20 years the United States has walked away from its traditional role as a champion of strong patent rights. Other jurisdictions have stepped in to fill the void, so it is their courts that are now writing the rules of the road for the technologies of the future.

Three bipartisan bills pending in Congress would help to change this. By removing uncertainties and pitfalls unique to the US patent system, they would give innovators the confidence to once again make US patents central to their commercial and legal strategies:

- The RESTORE Act introduced in the Senate by Sen. Chris Coons (D-DE) and Sen. Tom Cotton (R-AR), and in the House of Representatives by Rep. Nathaniel Moran (R-TX) Rep. Chip Roy (R-TX), Rep. Deborah Ross (D-NC), Rep. Henry C. Johnson (D-GA), Rep. Madeleine Dean (D-PA) and Rep. Scott H. Peters (D-CA) would give patent owners the tools they need to stop infringement through the courts.
- The <u>Patent Eligibility Restoration Act (PERA)</u> introduced in the Senate by Sen. Chris Coons (D-DE) and Sen. Thom Tillis (R-NC), and in the House of Representatives by Rep. Kevin Kiley (R-CA) and Rep. Scott Peters (D-CA) would provide much-needed clarity on what kinds of inventions are eligible for patent protection.
- The <u>PREVAIL Act</u> introduced in the Senate by Sen. Chris Coons (D-DE), Sen. Thom Tillis (R-NC), Sen. Dick Durbin (R-IL) and Sen. Mazie K. Hirono (D-HI), and in the House of Representatives by Rep. Ken Buck (R-CO) and Rep. Deborah Ross (D-NC), Rep. Nathanial Moran (R-TX) and Rep. Bill Posey (R-FL)- would place sensible limits on third-party attacks against granted patent rights.

Sisvel is a global business. The patent owners we work with come from every corner of the world. We support these commonsense, bipartisan bills because they will restore the strength to US patents they traditionally enjoyed.

RESTORE: Giving US patent owners tools to halt infringement

The core of the patent bargain is the disclosure of an invention in exchange for the time-limited right to exclude others from practising it. For most of US history, that meant patent owners that proved infringement were presumptively entitled to an injunction: a court order forcing the infringer to stop.

The 2006 *eBay* decision of the US Supreme Court did away with this presumption, replacing it with a four-factor test. In practice, this has drastically reduced the number of injunctions awarded to patent owners that have undertaken the difficult and expensive process of proving their claims in court.

Without the realistic prospect of injunctive relief, US patent holders have little leverage in negotiations with large companies that are using their inventions without permission, and which can hold out for years and years while reaping huge sums from the sale of infringing products.

Injunctions are much more readily obtained in other jurisdictions. This is one of the major reasons why so many important global patent cases are currently being decided outside the United States.

The RESTORE Act would effectively override the *eBay* decision, amending the patent statute with one simple, crucial paragraph:

If, in a case under this title, the court enters a final judgment finding infringement of a right secured by the patent, the patent owner shall be entitled to a rebuttable presumption that the court should grant a permanent injunction with respect to that infringing conduct.

Sisvel supports this bill which reinforces the private property rights inherent in the grant of a US patent and would restore to US courts a much more prominent role in global patent jurisprudence. We commend Senators Coons and Cotton, and Representatives Moran, Roy, Ross, Johnson, Dean and Peters for their initiative.

PERA: Providing clarity on what's patentable

PERA is an important step towards restoring predictability to the US patent system.

Over the past decade, the lack of clear guidance on patent eligibility has created significant uncertainty, particularly for cutting-edge technologies. A confusing and inconsistent body of judgemade law has proceeded from the Supreme Court's *Alice* (2012) and *Mayo* (2014) decisions, drawing criticism even from judges as they struggle to apply it.

PERA would sweep away the tangle of "judicial exceptions" to eligibility and instead re-affirm the plain language of 35 U.S. Code § 101 by clarifying that:

Any invention or discovery that can be claimed as a useful process, machine, manufacture, or composition of matter, or any useful improvement thereof, is eligible for patent protection.

However, the bill also sets out a list of bright-line, commonsense exceptions, excluding from patent eligibility:

- 1. A mathematical formula not part of a useful process, machine, manufacture, or composition of matter;
- 2. A mental process performed solely in the mind of a human being;
- 3. An unmodified gene, as that gene exists in the human body;
- 4. An unmodified natural material as that material exists in nature; and
- 5. A process that is substantially economic, financial, business, social, cultural, or artistic

Sisvel welcomes this clearer, simpler approach to subject matter eligibility, which will empower innovators to focus on creating transformative technologies without fear of arbitrary exclusions. We commend Senators Coons and Tillis, and Representatives Kiley and Peters for their initiative.

PREVAIL: Limiting third-party attacks on granted US patents

Another unique hazard for US patent holders is the Patent Trial and Appeals Board (PTAB), an administrative tribunal at the US Patent and Trademark Office (USPTO) established in 2012. Any party can use the PTAB to attack granted US patents while enjoying procedural advantages that would not be available in a court of law.

The PREVAIL Act would level the playing field by:

- 1. Requiring PTAB patent challengers to have standing;
- 2. Limiting serial petitions and duplicated arguments against the same patent;
- 3. Harmonising the PTAB's standards for claim interpretation and burden of proof with those of federal district courts; and
- 4. Streamlining disputes by forcing challengers to choose between challenging validity in the PTAB or in district court.

These measures strike an appropriate balance between maintaining stable and reliable patent rights while providing adequate opportunity to contest validity.

Sisvel supports this legislation, which would eliminate wasteful, duplicative disputes and curb opportunistic and abusive attacks on US patent rights. We commend Senators Coons, Tillis, Durbin and Hirono, and Representatives Buck, Ross, Moran and Posey for their initiative.



SBE Council Statement in Support of Bipartisan Bills to Strengthen U.S. Innovation and IP: PERA and PREVAIL Re-Introduced

For Immediate Release May 1, 2025

Washington, D.C. – Today, bipartisan leaders in Congress who are spearheading efforts to protect and strengthen intellectual property (IP) are re-introducing the Patent Eligibility Restoration Act (PERA) and the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. Small Business & Entrepreneurship Council (SBE Council) President & CEO Karen Kerrigan issued the following statement supporting the bipartisan measures, and noted their importance to startups, entrepreneurs, and small businesses:

"SBE Council is grateful for the bipartisan leadership of House and Senate members who are reintroducing the PERA and the PREVAIL Act. This is especially noteworthy given the small business community continues to celebrate and mark World IP Day and the renewed momentum behind Administration and congressional efforts to strengthen and protect U.S. intellectual property (IP)."

"Both PERA and PREVAIL offer important reforms that are especially important for startups and small businesses, as complex processes and systemic abuses within the patent system place IP protections in peril. This means creators, innovators, and entrepreneurs are challenged to bring their ideas to the market and raise the necessary capital to build their businesses and compete with larger entities. In the end, U.S. innovation suffers as does competitiveness, economic growth, market vibrancy, and job creation."

"PERA provides clear, predictable rules for what inventions are eligible for patents. A reform that will make the patent process less complex and costly for entrepreneurs and inventors. PREVAIL restores fairness to the U.S. patent system by addressing imbalances at the PTAB through a series of critical reforms. It closes procedural loopholes, limits duplicative attacks on the same patent, aligns the standards of review with those used in federal courts, and ensures that only parties with a legitimate interest can challenge a patent. Moreover, the bill includes provisions to make patent tools more accessible to smaller firms, along with a mandate for the Small Business Administration to study and report on how the system can better support innovative small businesses."

"These reforms are critical - MIT researchers <u>found</u> that startups with a patent are 87 times more likely to grow than those without one. American ingenuity is driven by inventors, creators and entrepreneurs who pursue their ideas with passion and take risks to the betterment of our economy and society. Legal frameworks and protections that support their efforts and protect

their IP is needed to fuel this innovation. PERA and PREVAIL are important reforms that will boost the innovative capacity of entrepreneurs and our nation."

CONTACT:

KAREN KERRIGAN, kkerrigan@sbecouncil.org

RAYMOND KEATING: rkeating@sbecouncil.org

SBE Council is a nonpartisan advocacy, research and education organization dedicated to protecting small business and promoting entrepreneurship. For more than 30 years, SBE Council has advanced a range of private sector and public policy initiatives to strengthen the ecosystem for strong startup activity and small business growth.

Visit www.sbecouncil.org for additional information. X: @SBECouncil

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