

THE COALITION FOR 21ST CENTURY PATENT REFORM
Protecting Innovation to Enhance American Competitiveness

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**Key Elements of H.R. 1260 and Senate Compromise Package
Will Strengthen Nation's Patent System and Promote Job Growth**

Patent reform should stimulate R&D investment leading to job creation

Washington, D.C. – Philip S. Johnson, Chief Intellectual Property Counsel, Johnson & Johnson, was one of seven witnesses today to testify before the House Judiciary Committee on H.R. 1260, The Patent Reform Act of 2009. Johnson represented the views of the Coalition for 21st Century Patent Reform during the hearing. He served as trial counsel in more than 100 patent cases prior to joining Johnson & Johnson where he now advises top management on patent matters relating to the company's 200 plus operating units worldwide.

Below are excerpts from his statement.

“The 21st Century Coalition's interest in patent law reform is to insure that the patent system fairly rewards those who contribute to our society through the invention and development of new and useful products and processes,” Johnson stated. “A fair, efficient and reliable patent system will continue to stimulate the investment in innovation that is necessary in today's technologically complex world to create the new products and processes that will lead to better lives for Americans and the rest of the world. In addition, the best promise for preserving and enhancing our place in an increasingly competitive global marketplace will be to stimulate U.S. investment in research-based industries.”

Johnson said patent reform should lead to the creation of jobs, “If done right, patent reform will stimulate the private sector to invest in economic development and job growth. All other considerations should be secondary.”

“Many of the provisions already contained in H.R. 1260, such as those relating to the adoption of a first-inventor-to-file system and improved patent examination procedures, should prove to be beneficial to long-term investment and job growth,” Johnson said. “Additional progress has been made in the Senate on a number of other provisions, including those related to patent damages, best mode reform, venue and interlocutory appeals, which if adopted by this Committee, would further enhance this bill. While work on technical amendments remains, given the progress thus far, the 21st Century Coalition is optimistic that consensus legislation is now within reach.”

(more)

“The first priority of patent reform should be to improve the completeness of patent examination and the quality of patents that issue. These reforms focus on properly financing the United States Patent and Trademark Office (USPTO), simplifying the patentability standards and their application, and expanding public input in the decision to grant a patent. They have garnered broad support from stakeholders and represent an achievable core of needed reforms to improve the operation of the USPTO,” Johnson said. “Improvements in patent quality should also improve the reliability of patent protection and downstream efficiency of enforcement proceedings.”

Johnson noted, “no patent reform proposal has engendered more controversy than that relating to patent damages,” and that no case has been made to show reform is needed. Johnson added that the 21st Century Coalition nonetheless “strongly supports the compromise reached in the Senate Judiciary Committee because it constructively responds to the complaints of those who perceive there to be inconsistency and unfairness in awards of reasonable royalty patent damages....it provides our best hope of achieving meaningful patent reform in this Congress.”

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The coalition has 50 members from 18 diverse industry sectors and includes many of the nation’s leading manufacturers and researchers. The coalition’s steering committee includes 3M, Caterpillar, General Electric, Johnson & Johnson, Eli Lilly and Procter & Gamble. The coalition has members in a variety of industry sectors including: Aerospace and Defense, Chemical, Computers, Diversified Financials, Diversified Technology, Energy, Food Production, Forest & Paper Products, Health Care, Household & Personal Products, Industrial Equipment, Medical Equipment & Devices, Network & Communications, Payroll Services, Pharmaceutical, Biotechnology, Semiconductors & Electronic Components, and Transportation Equipment.

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