

THE COALITION FOR 21<sup>ST</sup> CENTURY PATENT REFORM  
*Protecting Innovation to Enhance American Competitiveness*

For Immediate Release  
August 8, 2007

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**Microsoft Ruling Shows ‘The sky is not falling’ on US Patent System**

***Some pointed to Microsoft – Alcatel-Lucent case as proof  
that damages needed to be dramatically changed***

**Washington, D.C.** – During the U.S. Congress’s debate of patent reform legislation this year, proponents of an overhaul of patent damages law have relied on the Alcatel-Lucent \$1.53 billion damages verdict as the principal evidence that patent damages have “run amok,” and that current law for determining damages needed to be dramatically rewritten in a way to favor the infringer over the patent holder.

Because of the action taken by U.S. District Judge Rudi Brewster in San Diego on Monday, however, such an overhaul would no longer appear necessary, as Judge Brewster has now set aside this verdict. In particular, Judge Brewster concluded that, among other reasons, sufficient evidence was not presented at trial to support the jury’s use of the entire market value damages rule and that a new trial would be needed before damages can be awarded in this case.

"This decision shows that our current laws and procedures are sufficient to review, and if necessary to correct, perceived errors in patent damages verdicts. Rather than pointing to a need to drastically overhaul patent laws that have worked well for over 50 years, this case points to the fact that our judicial system has ample safeguards against excessive damages awards," said Steven Miller, Vice President and General Counsel – IP for Procter & Gamble. "The Coalition for 21<sup>st</sup> Century Patent Reform, of which Procter & Gamble is a member, hopes that those who have been calling for dramatic changes in the law on damages will work with all parties to produce a fair and balanced patent reform bill that all sectors of industry can support."