

June 8, 2011

Dear Members of Congress:

Re: America Invents Act Poses Risk to America's Inventors  
"Transitional Program for Covered Business Method Patents" (H.R. 1249, SEC. 18)

Intellectual Ventures is one of many U.S. companies who rely heavily upon protection of inventions by U.S. patents to safeguard our businesses and the jobs they represent. In addition to funding a network of several thousand inventors worldwide, we are one of the largest patent holders in the United States. Our inventors are among some of the most respected in the world. They include software engineers, physicists, biotechnologists, nuclear experts, mathematicians, and patent experts who work together to file hundreds of patents per year with the USPTO, making us one of its largest customers. More information about our company is available at <http://www.intellectualventures.com>.

We are writing to you because of a particularly harmful provision in the America Invents Act known as the "Transitional Program for Covered Business Method Patents" (H.R. 1249, SEC. 18). ***H.R. 1249 is heading to the floor as early as June 14, 2011, so your attention to this issue is needed now.***

It's important to note that Intellectual Ventures applauds the efforts of the sponsors of this legislation who have worked tirelessly for many years on patent reform. We too have worked for years to support patent reform and believe a strong patent system is important for job creation and certainty in the marketplace. However, we believe that H.R. 1249 would be strengthened by the removal of Section 18.

As currently written, this provision is overly broad and represents a threat to the future of American innovation by providing unfair exceptions for special interest groups and financial institutions. In fact, the section referenced above is designed to specifically benefit a small segment of businesses – big banks and financial services companies – at the expense of America's inventors and the businesses and jobs they represent.

This provision would also put a large number of current patent holders at risk by devaluing tens of thousands of U.S. patents by subjecting them to protracted challenges at the U.S. Patent Office.

In effect, if H.R. 1249 passes with Section 18, U.S. inventors and businesses who seek to protect their inventions from infringement by the financial services industry will be forced to live by a different set of rules than the set created for the banks and financial services companies. This double standard will create uncertainty and confusion for inventors, and it will disadvantage U.S. patent holders.

H.R. 1249 is a complex bill with many provisions that affect different sectors of the U.S. innovative community, and accordingly the U.S. economy. The underlying point we are trying to make is simple: the right for inventors to protect their ideas with patents is guaranteed by the U.S. Constitution. This right is the basis of our country's entrepreneurial spirit and our inventive success. Let's not put our country's innovative future at risk.

In order to draw attention to our concerns, Intellectual Ventures has undertaken an advertising campaign to help educate decision makers about the dangers of passing H.R. 1249, SEC. 18. If you would like more information, please visit <http://www.intellectualventures.com/ProtectOurPatents>.

As inventors and leaders in the business of invention, we urge you to work to remove SEC. 18 from H.R. 1249.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nathan P. Myhrvold', with a long horizontal flourish extending to the left.

Nathan P. Myhrvold, Ph.D.  
CEO and Founder, Intellectual Ventures