

## SIA Statement on Legislation to Curb Abusive Patent Litigation August 1, 2013

The Semiconductor Industry Association (SIA) supports the efforts of Congress, the White House, and courts on reducing abusive patent litigation. While judicial and administrative reforms to address this issue can play an important role and need to continue, SIA believes it is time for Congress to adopt legislation to prevent abusive conduct and to address the cost asymmetry in patent litigation, while at the same time preserving the ability of patent owners to protect their intellectual property and their investments in research and innovation, and ensuring that U.S. companies are not placed at a disadvantage to foreign competitors.

In this regard, SIA thanks and applauds Senator Cornyn for his leadership in the introduction of the "Patent Abuse Reduction Act of 2013" (S.1013). Abusive practices in patent litigation have a substantial negative impact on the U.S. economy and on U.S. innovation. The semiconductor industry believes that some of the concepts outlined in this bill, such as heightened pleading standards in cases where such information is reasonably accessible to patent holders, fee-shifting for non-prevailing parties, and early claim interpretation, will be useful in addressing abusive litigation practices. We encourage members of Congress to join Senator Cornyn in advancing these concepts and similar initiatives.

As Congress moves forward on the Cornyn bill and other proposals that include these principles, SIA urges Congress to proceed carefully and listen to stakeholders to ensure that legislation does not result in unintended negative consequences to patent owners and U.S. companies.

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The Semiconductor Industry Association (SIA), representing the leading U.S. semiconductor companies, supports policies that encourage innovation, including the protection of intellectual property. The semiconductor industry is research intensive—members invest, on average, 18 percent of revenues to research and development. Nearly half of the top 15 American patent recipients are semiconductor companies, and semiconductors are one of the country's top exports. The continued success of our industry and continued American leadership in semiconductor design and manufacturing depends on a strong and balanced patent system, including sensible and efficient rules to resolve patent disputes.