

## **SIA Statement on Abusive Patent Litigation**

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The Semiconductor Industry Association (SIA) 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.

SIA member companies are increasingly concerned about abusive patent litigation that needlessly raise litigation costs and seriously undermine innovation by redirecting research expenditures and other resources to litigation expenses. Unfortunately, existing procedures to combat abusive litigation practices are currently applied by the courts in such a manner that they fail to achieve their objective in curbing such abusive behaviors. To address this issue, we encourage the judiciary to take steps to address this problem through modifications to the practices under their control. At the same time, we believe there is merit in Congress taking action to reduce abusive patent litigation. Accordingly, SIA supports legislation affirmatively awarding attorneys' fees and other costs, in appropriate cases, to prevailing parties in patent cases. To that end, SIA encourages Congress to consider whether 35 U.S.C. § 285, which provides that a court may award reasonable attorneys' fees to the prevailing party only in "exceptional cases," should be modified to more effectively deter abusive litigation conduct. SIA also encourages Congress and the courts to consider other mechanisms to deter abusive behavior and streamline patent cases, such as imposing more specific pleading requirements in patent cases.

SIA supports reforms to prevent abusive patent litigation behavior, and believes that such reforms should be applied in a balanced manner to all litigants.

Adopting these and other appropriate and balanced disincentives for abusive patent litigation will help advance innovation and improve the overall patent system.