



House of Representatives
Judiciary Committee
Chairman Bob Goodlatte

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Goodlatte Statement at USPTO Oversight Hearing

Washington, D.C. — House Judiciary Committee Chairman Bob Goodlatte (R-Va.) today delivered the following statement during the House Judiciary Committee’s hearing on “Oversight of the United States Patent and Trademark Office.”

Chairman Goodlatte: Thank you, Director Iancu, for testifying before the Committee today.

America continues to be the leader in innovation. We brought the world the light bulb, the telephone, the Model T, the airplane, the television, the microwave oven, computer chips, personal computers, and so much more. We are now the leader in developing artificial intelligence, software, cures for disease—the list of life-altering and life-saving inventions created in this country is endless.

Our Founding Fathers recognized the need for a strong patent system to foster an environment of invention, and thereby grow the economy and create jobs. A strong patent system enables large and small companies alike to invest in R&D so that they may develop the next great American innovation.

To achieve those goals, patents must be of the highest quality. Innovative companies must be able to rely with certainty on the legitimate patents they are granted, while allowing other businesses to innovate without stepping on the rights granted to the patent owner by the PTO. It is equally important that the patent system include mechanisms for weeding out invalid patents, so that they may not be used to harass legitimate businesses or to extort the revenue that companies need to grow.

During the 112th Congress, this Committee passed the *America Invents Act* to address patent litigation abuse and stop “patent trolling.” This included establishing the PTO’s Inter Partes Review (IPR) proceedings. The Committee’s efforts to deter patent trolling have been a resounding success. The combined effects of our efforts along with several important court decisions have deprived patent trolls of many of the weapons they use to extort payments from innocent companies. In recent years, abusive patent litigation has decreased substantially, as has the cost of defending a patent claim.

Some stakeholders say these reforms have gone too far. They argue that many start-ups and small businesses can no longer rely on their patents to secure funding needed to grow. They argue that uncertainty surrounding the validity of patents in the U.S. has forced large companies and investors to look outside of the U.S., to other countries where their investments in the development of new technologies can be better protected. They point to the PTO’s IPR proceedings as contributing to this perception of uncertainty surrounding patents. Users of IPR proceedings argue that they are needed to invalidate the many improperly issued patents that overworked patent examiners continue to issue.

In this hearing, we will investigate whether the PTO is implementing AIA post-grant review proceedings as Congress intended, to address patent litigation abuse, and whether it is doing so in a manner that is fair to patent owner and petitioner alike. We want to hear from Director Iancu regarding what, if any, changes he is considering making to those proceedings. We also want to hear how he plans to improve patent examination to ensure that examiners issue only valid patents.

With the impending expiration of fee setting authority, the Committee will also take this opportunity to investigate whether efforts to curb fee diversion are still working as intended, whether the PTO is using its resources wisely and whether it is setting reasonable fees. The Committee will want to investigate the status of the application backlog, the possible transfer of user fees to the Department of

Commerce as part of a shared enterprise program, efforts to address international IP theft, trademark search quality, and any actions the agency has taken to address concerns regarding waste discovered in connection with previous examiner time and attendance investigations.

I thank Director Iancu for his participation in this hearing. I look forward to delving into these very important issues.

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