

### For Immediate Release

IP Advocate Joins Small Business Coalition on Patent Legislation To Protect and Promote Rights of University Scientists in Federal Patent Debate

# Proposed Changes to Patent Law Will Stifle Academic Research and Suppress Vital American Innovation at its Source

ATLANTA (Dec. 15, 2009) – IP Advocate (<u>www.IPAdvocate.org</u>) today announced it has joined the <u>Small Business Coalition on Patent Legislation</u> to better respond to "Patent Reform" proposals currently under consideration by Congress, which, if enacted, would significantly harm inventors, universities and small businesses.

IP Advocate promotes and protects the rights of research scientists, and is a leading voice for the academic community in the current debate on the Patent Reform Act of 2009 (Senate Bill S. 515 and House Resolution H.R. 1260).

"The proposed reforms greatly weaken our U.S. patent system, which has historically rewarded innovators for creating novel industries and businesses that generate large numbers of new jobs," said Dr. Renee Kaswan, founder of IP Advocate, former research professor at the University of Georgia and inventor of the widely used drug Restasis®.

"America has always relied on research carried out in our world-class academic and private research institutions to build our economy," she said. "Patent legislation that hinders the rights and freedom of research scientists will undermine the public interest. We are honored to join this coalition of small business industry leaders, whose mission is to call attention to the dangers of the proposed reforms. This alliance will further IP Advocate's primary mission to provide academic inventors with a strong voice in intellectual property law."

"The proposed Congressional legislation will adversely affect academic research activities and future innovations," said Dr. Kaswan. "'Patent Reform' is actually a

misnomer. We are concerned that, if enacted, these changes will dramatically weaken all research inventors' IP rights. They will favor well-established businesses over innovative start-ups, and will allow misappropriation of original inventors' IP rights by companies with the deepest pockets and largest staff of lawyers."

In a significant change from current law, S. 515 authorizes assignees – such as universities or private employers – to apply for a patent without the knowledge or participation of the inventor. This contradicts the spirit of the U.S. Constitution, which confers patent rights to inventors and not to assignees.

Of greater concern is the fact that the legislation seeks to fundamentally change the U.S. patent system from a "first to invent" to a "first to file" system, which could strip the original inventor of ownership rights and the ability to pursue discoveries and innovations. America's research community has historically led the world in innovation, in part because of open discourse and broad collaboration facilitated by the current invention date-based patent priority system.

But the "first to file" system will stifle interactive collaboration, as scientists and researchers will be pressed to hoard information until patent filing. Junior faculty and graduate students' career goals, which depend upon active collaboration, public presentation and rapid publication of their research results, will conflict with the goals of tenured faculty and university administrators to protect any and all patent potential by withholding information until all patents are filed.

A third adverse change in the proposed reform bills includes the provisions for expanded "Post Grant Opposition," which will allow anyone to challenge any patent for any reason within the first 12 months of its issuance. "This really serves the big players at the expense of small business patentees," said Dr. Kaswan. "It is an open invitation for procedural challenges by incumbent firms to impede disruptive innovations in order to protect their established markets. The resulting costs and delays will cripple innovation and thwart start-up investments in companies that rely on patents for their survival."

## Amplifying the Voices of Independent and Academic Inventors

The Small Business Coalition on Patent Legislation is a national consortium of organizations representing and assisting early-stage startup companies, small-businesses, individual and academic inventors and researchers, and new innovative market entrants, who all depend on patent protection. The Coalition will amplify and channel the voices of its small-business constituents in their attempts to be heard on critical patent reform matters arising under the proposed Patent Reform Act of 2009.

The Coalition is focused on patent reform proposals that, if enacted, could significantly harm small business and university faculty and student patentees, and that are not currently being addressed by established patent stakeholders.

The Coalition sent a <u>letter to the U.S. Small Business Administration (SBA)</u>, urging it to assume its unique role, expertise and mandate in evaluating the proposed patent reform legislation's effects on small businesses:

"While our current patent laws and system are not perfect, and specific areas need reform, the proposed changes fail to address the problems. Instead, they greatly promote the interests of large corporations at the expense of small business patentees, academic and individual inventors, innovative start-up companies, and the American public," Dr. Kaswan said.

#### **About IP Advocate**

IP Advocate (<u>www.IPAdvocate.org</u>) is a non-profit organization that educates and empowers faculty researchers on patent rights and the process of commercialization – helping inventors protect their rights during the complex process of moving their inventions from the lab to the public marketplace. IP Advocate is a robust resource of information and best practices related to the commercialization of intellectual property. IP Advocate was founded by Dr. Renee Kaswan, inventor of Restasis® and a former research professor at the University of Georgia; and is led by executive director Rhaz Zeisler, an internationally recognized interactive media brand strategist, and former Walt Disney producer and IBM creative executive. IP Advocate is a 501(c)(3) organization, based in Atlanta.

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