- 1 ALDERSON REPORTING COMPANY
- 2 HJU104000
- MARKUP OF H.R. 1249, THE AMERICA INVENTS ACT 3
- Thursday, April 14, 2011 4
- 5 House of Representatives
- 6 Committee on the Judiciary
- 7 Washington, D.C.

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The committee met, pursuant to call, at 10:35 a.m., in 8 9 Room 2141, Rayburn Office Building, Hon. Lamar Smith 10 [chairman of the committee] presiding. 11 Present: Representatives Smith, Sensenbrenner, Coble, Gallegly, Goodlatte, Lungren, Chabot, Issa, Pence, Forbes, 12 13 King, Franks, Gohmert, Jordan, Poe, Chaffetz, Griffin, Marino, Gowdy, Ross, Adams, Quayle, Conyers, Berman, Nadler, 14 Scott, Watt, Lofgren, Jackson Lee, Waters, Cohen, Johnson, 15 16 Pierluisi, Quigley, Chu, Deutch, Sanchez, and Wasserman 17 Schultz.

Staff present: Sean McLaughlin, Chief of Staff;
Allison Halatei, Deputy Chief of Staff/Parliamentarian;
Sarah Kish, Clerk; Perry Apelbaum, Minority Staff Director;
and Chrystal Sheppard.

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1408 genuine issues in the case in order to prepare an effective 1409 petition.

1410 I think this is a fair approach for both the patent 1411 owner and those accused of infringement. It preserves the 1412 ability of inter partes while still preventing undue delay, 1413 and while there is no deadline tied to litigation in the 1414 status quo, proponents of strict deadlines really haven't 1415 given any real world examples that I am aware of of inter 1416 partes challenges that have been unduly delayed or harm that 1417 would occur therefor.

1418 So if there are concerns, they are theoretical, and regardless of the deadline, defendants have a significant 1419 1420 incentive to file their petitions for IPR as early as 1421 possible. If the defendant waits too long to file, it could 1422 lose at trial and be forced into paying damages for infringement before the PTO makes a decision to invalidate 1423 1424 the patent. 1425 So I think this amendment is a middle ground and improves the bill, and I hope that the members will see fit 1426

1427 to approve it.

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And I yield back.

1429 Chairman Smith. Thank you, Ms. Lofgren.

1430 I will recognize myself in opposition to the 1431 amendment. 1432 This amendment expands the inter partes review program 1433 from 12 months after the filing of a civil action to 30 days

1434 after the Markman hearing. This amendment could create an 1435 open-ended process because there is actually no guarantee 1436 that a Markman hearing will even take place. The inter 1437 partes proceeding in H.R. 1249 has been carefully written to 1438 balance the need to encourage its use while at same time 1439 preventing the serial harassment of patent holders. This 1440 bill represents a delicate balance, and making such a core change to the deadline may turn the inter partes program 1441 1442 into a tool for litigation gamesmanship rather than a 1443 meaningful and less expensive alternative to litigation. 1444 For those reasons, I oppose the amendment. Are there other members who wish to be heard on this 1445 1446 amendment? 1447 [No response.] Chairman Smith. If not, we will vote on it. All 1448 those in -- the gentleman from California, Mr. Berman, is 1449 1450 recognized.

1451 Mr. Berman. Mr. Chairman, the issue you raise -- I

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1452 rise to suggest an alternative to the amendment, although I 1453 think the amendment is good.

1454 If there is a Markman hearing, that is the logical 1455 time to cut off the ability to stay a court case, 30 days 1456 afterwards. So on the face of it, I think the amendment 1457 makes sense. You raise legitimately what if there is no 1458 Markman hearing. So what if the gentlelady's amendment said 1459 the Markman hearing or no later than 18 months so that if 1460 there were no Markman hearing, the time set, they could not 1461 go beyond the 18 months? Would that make it then more 1462 attractive to you? It would deal with this issue of no 1463 Markman hearing.

Remember, under existing law -- first of all, the stay 1464 1465 is never mandated. The court gets to decide whether or not 1466 to have a stay. And your bill, I think, is a positive 1467 improvement on the Senate language which was only 6 months, 1468 but conceptually knowing what claims are going to be 1469 litigated makes the most sense in terms of telling the 1470 defendant they no longer can use inter partes reexam as an 1471 effort to stall the litigation. They got to do it within 30 1472 days of the Markman hearing or if they haven't gotten the 1473 Markman hearing or aren't going to get a Markman hearing, no

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