



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

December 3, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3309 – Innovation Act

(Rep. Goodlatte, R-VA, and 16 cosponsors)

The Administration supports House passage of H.R. 3309, as reported with a strong, bipartisan vote by the House Judiciary Committee. The bill builds on the important patent reforms contained in the America Invents Act (P.L. 112-29) and successfully implemented by the U.S. Patent and Trademark Office. The bill would improve incentives for future innovation while protecting the overall integrity of the patent system.

On June 4, 2013, the Administration recommended seven legislative measures to the Congress designed to protect innovators from frivolous litigation and ensure the highest-quality patents. The Administration appreciates the inclusion of many of these measures in H.R. 3309 and supports the bill's provisions to require disclosures in patent infringement cases, streamline actions involving end-users, and provide educational resources for small businesses. By reducing unnecessary costs of patent litigation, it also represents significant progress on the efforts to level the playing field for small innovators. The Administration supports the effort to discourage abusive court filings, but hopes that, as final legislation is crafted, appropriate recognition is given to the importance of judicial discretion in balancing competing interests. Finally, the Administration continues to have concerns about the bill's provisions on post-issuance review proceedings, including those pertaining to patent claim construction.

The Administration looks forward to working with the Congress to advance this important bipartisan legislation and to include additional provisions that the Administration recommended to help protect innovators, including transparency of demand letters and pre-litigation patent ownership.

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