

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

Patent Reform is Good for Small Business
Support H.R. 1908, the Patent Reform Act of 2007

**Legislation makes common sense reforms that improve the business
environment for small innovative companies**

September 5, 2007

Dear Colleague:

As Chairwoman of the Committee on Small Business, I am writing to bring your attention to the need for effective patent reform. As you are aware, the House is likely to vote on HR 1908, the Patent Reform Act of 2007, this Friday, September 7. I urge you to join me in supporting this valuable reform.

During a hearing the Committee convened in March of this year, small business leaders shared their belief that reform was needed in three key areas: improving patent quality, reducing abuses of the patent litigation system and harmonizing global patent practices. HR 1908 addresses each of these issues.

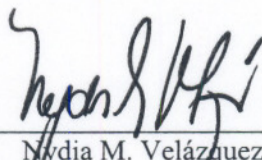
Small businesses will benefit from many of the provisions of HR 1908. In particular, the legislation establishes new processes to help ensure increased patent quality. In testimony before the Committee, a CEO of a small technology company testified that the patent system "leaves small business in a position where we are afraid to innovate." By establishing new processes to help enhance patent quality, HR 1908 will allow small firms to bring new products and services to the market with greater confidence.

Safeguards in the bill will allow small businesses to allocate more of their resources to developing innovative products and creating jobs, rather than being forced to expend resources fending-off patent infringement lawsuits. Small firms that are developing innovative products and services indicate that the patent litigation system is out of balance and that the costs of patent litigation suits can undermine their efforts to bring new products to the market. HR 1908 will provide small firms with safeguards against abuses and "gaming" of the patent litigation system.

Small companies are a critical source of innovative products and services. Indeed, according to data published by the Small Business Administration (SBA) small companies represent one-third of all companies with 15 or more patents. As patent owners with limited resources, small companies stand to benefit from provisions in HR 1908 that will aid and support innovators who submit patent applications in the United States and abroad.

While I recognize that some small businesses continue to express concerns about certain aspects of H.R. 1908, I believe the bill makes common sense reforms to the patent system that overall improve the business environment for small innovative companies. Thank you for your consideration of this request. For more information, please contact Bill Maguire on 225-4038.

Sincerely,


Nydia M. Velázquez
Chairwoman