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David Kappos, Co-Chair
Judge Paul Michel (Ret.), Board Member
Judge Kathleen O'Malley (Ret.), Board Member
Frank Cullen, Executive Director

May 1, 2025

The Honorable Thom Tillis 113 Dirksen Senate Office Building Washington, D.C. 20510 The Honorable Chris Coons 218 Russell Senate Office Building Washington, D.C. 20510

Dear Senators Tillis and Coons:

I am writing on behalf of the Council for Innovation Promotion (C4IP), a bipartisan coalition dedicated to promoting strong and effective intellectual property (IP) rights that drive innovation, enhance American economic competitiveness, and improve lives everywhere. C4IP is chaired by two former Directors of the U.S. Patent and Trademark Office (USPTO), Andrei Iancu and David Kappos, who served under Presidents Trump and Obama, respectively. Our board also includes two retired judges from the U.S. Court of Appeals for the Federal Circuit, former Chief Judge Paul Michel and Judge Kathleen O'Malley.

We write today to express C4IP's strong support for the reintroduction of the Patent Eligibility Restoration Act (PERA) and the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. We thank Senators Thom Tillis, Chris Coons, Dick Durbin, and Mazie Hirono as well as Representatives Deborah Ross, Nathaniel Moran, Kevin Kiley, and Scott Peters for their continued leadership on these issues.

Together, these bipartisan bills would restore clarity, fairness, and predictability to the U.S. patent system. Because the patent system provides the foundation for our country's innovation engine, the improvements that these bills would make would directly support innovators — ensuring that they have the confidence and incentives needed to invest in research and development, leading to strengthened economic growth and sustained American leadership in innovation.

For over a <u>decade</u>, U.S. innovators have faced profound uncertainty regarding what types of inventions qualify for patent protection under Section 101 of the Patent Act. <u>Judicial decisions</u> have introduced vague, subjective, and unpredictable eligibility tests. As a result, inventors, research institutions, and investors are often left unsure whether critical advances — particularly in cutting-edge fields like medical diagnostics, biotechnology, artificial intelligence, and computer-implemented technologies — can be protected.



This uncertainty has <u>chilled investment</u>, slowing the commercialization of groundbreaking discoveries and weakening America's competitiveness in sectors vital to public health, national security, and economic growth. Notably, U.S. patent eligibility doctrine has <u>become</u> unusually uncertain and restrictive compared to other advanced economies — leaving American innovators at a disadvantage as foreign competitors provide clearer, more reliable protections for emerging technologies.

PERA would restore clarity, certainty, and predictability by establishing straightforward, objective, and administrable standards rooted in statutory text. The bill would eliminate vague, judicially created exceptions like "abstract ideas" and "laws of nature," replacing them with understandable rules for what is eligible. It would ensure that genuine technological innovations, including diagnostics, biotechnology, and computer-implemented inventions, remain eligible for protection. By replacing subjective judicial tests with clear statutory guidance, PERA would revitalize investment, encourage research in critical fields, and restore Section 101 to its intended role of promoting innovation and economic growth in the 21st century.

While PERA addresses substantive eligibility standards, the PREVAIL Act would strengthen procedural fairness at the Patent Trial and Appeal Board (PTAB) by implementing targeted, commonsense reforms that promote fairness, efficiency, and consistency. The legislation would eliminate duplicative litigation by requiring challengers to choose their forum — either continuing a case in district court or proceeding before the PTAB — once the PTAB institutes a trial. It would also harmonize legal standards by requiring the PTAB to apply a clear and convincing evidence standard to invalidate patents and use the same claim construction standard applied in federal courts. In addition, PREVAIL would strengthen estoppel protections to prevent repetitive challenges across venues and ensure that only real parties in interest with a substantial stake may pursue PTAB proceedings.

These reforms would reduce wasteful duplication, improve consistency across venues, and ensure that patent rights are adjudicated under fair and predictable rules. By curbing strategic abuse of the PTAB process and reducing duplicative burdens on innovators, PREVAIL would make it easier for inventors to defend their patents without facing costly, repetitive, and burdensome proceedings. Strengthening procedural protections at the PTAB is essential to restoring balance to the U.S. patent system and supporting robust innovation and legitimate competition.



For America's innovative businesses, these improvements are especially critical. Today, large, well-resourced corporations can <u>exploit</u> procedural gaps by launching parallel, duplicative attacks on the same patent in multiple venues, forcing innovators to endure unsustainable litigation costs, prolonged uncertainty, and pressure to settle or abandon their rights. PREVAIL would restore fairness to the system by curbing these abusive tactics and ensuring that innovators have a meaningful opportunity to protect and enforce their IP rights.

Together, PERA and PREVAIL represent thoughtful, bipartisan solutions to restore confidence in America's patent system. Strong, reliable IP rights do not stifle competition — they drive it by fostering the incentives necessary for sustained innovation, dynamic economic growth, and American technological leadership. Without these critical reforms, the United States risks losing its innovation advantage to foreign competitors that offer more consistent and predictable protections for inventors.

We value your leadership in championing these critical reforms and urge Congress to prioritize the swift passage of PERA and the PREVAIL Act. C4IP stands ready to assist in advancing policies that strengthen America's IP system and secure its future as the global leader in innovation.

Sincerely,

Frank Cullen

Executive Director

Council for Innovation Promotion (C4IP)