

April 14, 2011

The Honorable Lamar S. Smith  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Robert Goodlatte  
Chairman  
Subcommittee on IP, Competition & the  
Internet  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Melvin Watt  
Ranking Member  
Subcommittee on IP, Competition & the  
Internet  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Smith, Ranking Member Conyers, Chairman Goodlatte, and Ranking Member Watt:

We are pleased that the H.R. 1249, the Patent Improvement Act of 2011, includes a section addressing the issue of poor-quality business-method patents that are plaguing the financial services industry. With inclusion of this vital language, the undersigned trades support H.R. 1249, as amended by the Manager's amendment. **We strongly urge you to oppose any effort to strike or weaken the language in Section 18 of the bill which creates the program to review business method patents against the best prior art.**


Poor-quality business-method patents represent an extremely problematic aspect of the current system for granting, reviewing and litigating patents. The problems with low-quality patents are well documented and beyond dispute. On an escalating basis, financial firms are the target of meritless patent lawsuits brought by non-practicing entities. Such entities exploit flaws in the current system by shopping friendly venues where they extort money from legitimate businesses by asserting low-quality business method patents.

To address this problem, we support the language in the House bill to establish an oppositional proceeding at the United States Patent and Trademark Office (PTO), where business-method patents can be re-examined, using the best prior art, as an alternative to costly litigation.

As outlined, this program applies only to business method patents, which are defined using suggestions proffered by the PTO. **We oppose changes to the bill that create loopholes allowing low-quality business method patent holders to wall off their patents from review by the PTO.**

Thank you for your leadership on reforming the current, antiquated patent system. It is our hope that we can work with you to ensure that any final patent reform bill address the fundamental, and increasingly costly, problem of poor-quality business-method patents.

Sincerely,



Steve Bartlett  
President and CEO  
The Financial Services Roundtable



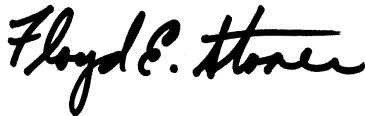
Leigh Ann Pusey  
President and CEO  
American Insurance Association



Camden R. Fine  
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Independent Community Bankers of  
America



Kenneth E. Bentsen, Jr.  
EVP, Public Policy and Advocacy  
Securities Industry and Financial Markets  
Association



Floyd E. Stoner  
Executive Vice President  
Congressional Relations and Public Policy  
American Bankers Association

cc: Members of the House Judiciary Committee