



FOR EDISON'S SAKE, NOT THIS PATENT REFORM!

April 4, 2011

“We will make electricity so cheap that only the rich will burn candles!” said Thomas Edison in 1879 during his first public demonstration of the incandescent light bulb. And he did. That young boy, born poor, radically changed the world so that people everywhere could afford light and heat and power devices that expanded capabilities beyond their wildest dreams.

When Orville and Wilbur Wright were 7 and 11, their father bought them a toy “helicopter” based on an invention by French aeronautical pioneer, Alphonse Penaud. Using cork, bamboo, paper and a rubber band, it captured the imagination of these young sons of a minister, and led them to the unthinkable...man in flight.

After his mother tragically lost her hearing, Alexander Graham Bell of Boston found a passion to help the deaf. In pursuit of that quest, he slowly, painstakingly, invented the first telephone. Who can imagine the thrill as he accidentally spoke his first transmitted words into that crude device, “Mr. Watson! Come here, I want you!”

These are just three of thousands of stories of early American inventors who coupled ideas with passion and changed the world. Eli Whitney and the cotton gin...Henry Ford with the automobile...regular citizens with brilliant minds...revolutionizing the future because they could.

America provided fertile soil for creativity, so much so that within thirteen years of its first patent law, She had surpassed Great Britain in the number of new inventions with a population half its size. And by 1865 the number of patents were triple that of King George.

How did this happen? According to historians, it was no accident. As the Founding Fathers studied existing patent law, they discovered statutes that gave advantage only to the wealthy, not to the small entrepreneur. One can only imagine Ben Franklin, frowning through his spectacles as he pondered what might happen to his kite and other inventions if not protected by law.

So...what they birthed was a unique system, embedded in our constitution inventors have enjoyed for 250 years: First to invent, not first to file. The first to invent would get credit, not the first one to rush to a bureaucratic office and file a piece of paper. That was what unleashed innovation and created jobs.

Now Senator Patrick Leahy and the Obama Administration along with multi-national corporations have a better idea. They want to “reform” US Patent law so that it “harmonizes” with the world community. They want to change our system from a “First to Invent” to a “First to File.” In other words...anyone who can co-opt the ideas of an inventor and pay the cash can take the credit and reap the rewards.

While Congress has been drowning in a Tsunami of wars mixed with budget and healthcare, forces are at work behind the scene to pass a “reform” bill that will detrimentally affect inventors, entrepreneurs, job creation and hand American innovation to large corporate interests and certainly China. Only this time, the theft will be legal.

While the loss of manufacturing jobs has dealt a blow to our economy, we have not lost our ability to innovate and create. The Chinese have been able to copy much of what we have, but they don't create it. Already, GE, headed by Obama Jobs Council Chief Jeffrey Emmelt, has turned over many GE patents and technology to China in return for entry into the Chinese Market. In 2007 when a similar “patent reform bill” was being

considered by the House, Yongshun Cheng, Senior Judge of Beijing's High Peoples Court said, "the bill is friendlier to the infringers (China) than to the patentees...this is not bad news for developing countries." The Chinese get it even if some of our Congressmen don't!

SB 23 passed by an overwhelming majority of what undoubtedly were uninformed Senators. Now HR 1249, with the encouragement of companies like IBM, Microsoft, Dell and others, has been introduced by Congressman Lamar Alexander and could be called for a vote at any time. But the voices of America's inventors are crying to be heard!

Steve Perlman who won the Academy Award for Special Effects for the film, "The Curious Case of Benjamin Button," and whose work is found in all Macs, iPhones, iPods and iPads is pleading with Congress to listen. In a report submitted to Senator Barbara Boxer in February of 2011, he cites the unbearable cost to small inventors; \$20-30,000 for each and every change or nuance to an invention and the addition of a "Post-Grant Review."

Current inventors are given a grace period to perfect their inventions and try to obtain financial backing. The new bill would replace that with a European-style post-grant challenge, adding untenable financial burdens in defense of one's own ideas. Or as Phyllis Schlafly eloquently puts it, "replacing first-to-invent plus grace period with first-to-file plus litigation. " It's not hard to see who would prevail in this environment.

"But worse than anything, S.23 undermines the uniquely American process of invention. It casually sweeps aside established paradigms that have successfully fueled the engine of innovation in America since its founding, and demonstrably fuels it today. We don't want American innovation to be like that of other countries. We want America to continue to be the world's mecca for invention," wrote Perlman, President and CEO of Rearden, OnLive and MOVA.

Henry R. Nothhaft, a Silicon Valley entrepreneur and CEO for more than 35 years, says, "This change will cripple job creation in the United States and lead to even more economic advancement from our overseas competitors."

Some of the GOP leadership favor this bill too. With the potential loss of jobs and inevitable deathblow to innovation, they must not be paying attention.

The voices of Edison and Bell, Wright and Ford are crying out. Don't put a stake in the heart of American innovation and job creation. Say "no!" to this patent reform bill!