

# Intel Public Policy IP & Patent Reform

Intel depends on sound patent systems worldwide to protect intellectual property (IP) and enable the development and deployment of new technologies. We work to improve the quality and reliability of patents, help new World Trade Organization (WTO) members conform their patent laws to WTO requirements, develop procedures to lower the costs of resolving patent disputes, and ensure that the interests of patent holders and good-faith manufacturers are properly balanced through fair litigation rules.

## Background

Patent systems are the cornerstone of protection for the rights of innovators, but also must keep pace with evolving technologies and the changing needs of inventors and producers. Questionable patents force companies like Intel to divert valuable resources to litigation that might otherwise go toward new product research and development. This diversion of resources imposes an "innovation tax" that increases costs to consumers. Dedicated patent examiners do the best work possible under difficult circumstances, but outmoded procedures, insufficient training, and lack of resources result in a substantial number of problematic patents issued each year.

When problematic patents end up in court, the fairness and efficiency of a country's litigation rules are a major factor in whether the lawful rights of innovators and the interest of society in deploying new technologies are properly balanced. Intel works closely with policymakers to strengthen the protection of IP and modernize patent systems. In Europe, work is ongoing to develop a European Community patent—a major goal of which is to simplify filing and examination procedures and facilitate the evolution of a common European patent law. In Asia, work is underway in China, India, and other countries to adopt rules governing patentability of inventions that strike the proper balance between the rights of innovators and the interests of society. These worldwide efforts are essential for fostering technology development and achieving commercialization of new technologies.

## **Key Issues**

#### Curbing abusive patent litigation in the U.S.

Abusive patent litigation is growing fast in America. U.S. patent litigation rules do not provide a neutral forum for resolving disputes, but instead encourage the filing of lawsuits and "winner-take-all" strategies. Patent speculators take advantage of these imbalances in the law to leverage high settlements. The U.S. Supreme Court recently took important steps to return balance to the American litigation system, but a legislative solution would provide more certainty to industry participants.

# Key Issues (continued)

## Implementing patent reform in Europe.

There is a need for simplified filing and application management procedures in Europe to facilitate securing patent rights in as many countries as possible for the most reasonable cost. Yet, substantive improvements in patent law—which Intel supports—must be carefully balanced to ensure that Europe does not recreate incentives that encourage patent speculation and frivolous lawsuits, which would serve to undermine economic growth and the deployment of new technologies.

#### Limiting non-essential compulsory licenses in Asia.

The primary patent challenge in Asia is to ensure that evolving law to protect IP properly balances the needs of innovators against the interests of society in the deployment of new technologies. Intel is concerned with measures that would undermine IP rights by allowing compulsory licenses to be imposed without fulfilling the licensing preconditions and abiding by the stringent use restrictions established in international agreements defining the parameters for exercising such authority.

