



United States Court of Appeals
for the Federal Circuit

717 MADISON PLACE, N.W.
WASHINGTON, D.C. 20439

CHAMBERS OF
CHIEF JUDGE PAUL R. MICHEL

May 21, 2007

The Honorable John Conyers, Jr.
2426 Rayburn Building
Washington, DC 20515
By Fax: (202) 225-7680

The Honorable Lamar S. Smith
2184 Rayburn Building
Washington, DC 20515
By Fax: (202) 225-8628

Dear Chairman Conyers and Ranking Member Smith,

H.R. 1908 is now before the full Judiciary Committee. I write to advise of the severe impact on both the Federal Circuit and the trial courts of the provisions on apportioning damages and interlocutory appeals.

Section 5 would require the courts to limit damage awards to the specific contribution of novel aspects of the claimed invention over the prior art and to subtract from the reasonable royalty base, "the economic value properly attributable to the prior art and all other features or improvements, whether or not themselves patented, that contribute economic value to the infringing product or process." In my judgment, this provision would require considerable interpretation that would take years. Meanwhile, confusion and inconsistency would reign, making predictions about damage awards nearly impossible. Settlements would likely decline, while the economic analysis required would greatly lengthen trials and complicate appellate review.

Section 10 would create an immediate right of appeal from any claim construction ruling. An academic study estimates that appeals in patent infringement cases could increase 100% or more. At present, about 450 appeals are filed each year. With this workload, the average time between filing and disposition is about 11 months. If the workload doubles, the delay could approach two years. Such a delay would be extremely harmful to the parties who need prompt resolution of their disputes. Because, in the meantime, proceedings in the trial court must be stayed, delays in concluding trials would also increase greatly.

I urge the committee to delete these provisions as unworkable. In addition to their impact on the parties and the courts, these provisions upset settled law developed over many decades. Even assuming a showing of need, these provisions, in my judgment, are simply beyond the capacity of the courts to implement in a consistent, timely manner.

Sincerely,

cc: Congressman Berman (By Fax: (202) 225-3196)
Congressman Coble (By Fax: (202) 225-8611)