



Licensing Executives Society

(U.S.A. and Canada), Inc.

A Member Society of the Licensing Executives Society International

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April 17, 2018

U.S. Representative Steven E. Stivers
1022 Longworth House Office Building
Washington, DC 20515

Dear Congressman Stivers:

On behalf of the Licensing Executives Society (USA and Canada), Inc. ("LES"), we thank you and your co-sponsors for your recent introduction of the STRONGER Patents Act of 2018 in the U.S. House of Representatives. We also thank you for your leadership in raising awareness of the importance of durable, reliable intellectual property rights as an essential element of our economy, a pillar of our legal system, and a benefit for all of humanity. Your remarks on April 10th at the IP Leadership 2018 event at the Newseum, Washington, DC, were especially encouraging. We are writing to offer our assistance.

We understand that you plan to hold a hearing on the state of the U.S. patent system, and to explore the phenomenon of "efficient infringement." Efficient infringement is an unfortunate development in technology commercialization. It frustrates the incentives our nation's founders expressly contemplated for authors and inventors in Article I of our Constitution. The diminution of those incentives discourages innovation, reduces investment, and hinders the formation of new businesses and industries.

LES is a non-partisan, non-profit, volunteer-driven professional society devoted to speeding innovation to market. For over 50 years, we have been the only professional society devoted exclusively to the licensing of intellectual property. We represent all industries, from high technology to pharma/biotech. Our members are inventors, entrepreneurs, business executives, accountants, and lawyers. And, we represent licensors as well as licensees. In short, we represent all sides in all quadrants of the innovation economy. We are devoted to the principle that intellectual property is a private property right that must be respected like any other form of private property – through predictable, reliable, and durable legal rights that are worthy of investment and command the respect of the market.

Over its first 225 years, the U.S. patent system has proven to be among the most potent economic engines ever devised. Coupled with the pioneering American spirit, our patent system fostered electrical lighting, the automobile, controlled flight, the silicon chip, and numerous life-altering inventions yet to come. However, to continue along this trajectory, we must preserve the incentives the founders envisioned. To do so, we must provide a legal regime that respects intellectual property rights, and especially the right of inventors to exclude others from trespassing on those rights.

Efficient infringement runs counter to such a legal regime, and it violates the American tradition of respect for the rule of law and the importance of private property rights. It smacks of gamesmanship and sharp practices, and produces profound inefficiencies and inequities in the marketplace. These have an especially harmful effect on the inventor and entrepreneur.



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LES is committed to fostering innovation through a fair and equitable marketplace for innovation. The LES Standards Initiative is bringing the licensing industry together to self-regulate, and discourage abuse of our patent system. We are drafting consensus-based voluntary standards for the ethical, prudent, and practical use of intellectual property to drive commerce and improve the human condition. We have briefed members of Congress and various federal agencies on this initiative, and we have appeared in hearings before Congressional Committees. We ask that you consider including an LES representative among your witnesses. We stand ready to assist you in whatever way you deem appropriate as you plan this hearing, and as you work to restore the U.S. patent system to its former glory. Please feel free to contact me at your convenience.

Very best regards

A handwritten signature in black ink, appearing to read 'Brian P. O'Shaughnessy', with a large, stylized flourish at the end.

Brian P. O'Shaughnessy
Immediate Past-President
LES U.S.A. and Canada, Inc.