

Leadership Council

February 26, 2008

Anna Burger
Chair
Change to Win
International
Secretary-Treasurer
Service Employees
International Union (SEIU)

Re: Opposition to Patent Legislation (S. 1145)

Dear Senator:

Edgar Romney
Secretary-Treasurer
Change to Win
Executive Vice President
UNITE HERE

On behalf of the seven unions and six million members of the Change to Win Labor Federation, I want to convey our growing concern about proposed patent legislation that has become one of the most controversial bills now pending in the U.S. Senate.

Joseph Hansen
International President
United Food and
Commercial Workers
International Union (UFCW)

Change to Win is committed to building a new movement of working people equipped to meet the challenges of the global economy and to restore the American Dream in the 21st century. In its current form S. 1145, the so-called "Patent Reform Act of 2007," has the potential to further threaten the prosperity of our members as well as millions of other Americans. The proposed bill would consolidate the market share of a few giant firms in key sectors while simultaneously undermining the intellectual property rights which protect the fruits of American ingenuity. In addition, passage of S. 1145 will undermine ongoing efforts by Change to Win to harness American ingenuity as a means of empowering working people to unite together into unions, thereby enabling more Americans to obtain and maintain a decent standard of living.

James P. Hoffa
General President
International Brotherhood
of Teamsters (IBT)

Geralyn Luty
International Vice President
United Food and
Commercial Workers
International Union (UFCW)

It is time to slow down the rush of giant corporations to consolidate and expand their current market positions and to start to discuss S. 1145 in terms relevant to the lives of America's working families: how the most significant changes in patent law in decades will impact the creation and retention of quality jobs in our country and what this legislation will mean for U. S. consumers who want access to the new products and services that patent protection is designed to foster. Until that perspective is added to the debate, the Senate should not consider S 1145.

Douglas J. McCarron
General President
United Brotherhood
of Carpenters
and Joiners
of America (UBC)

Terence M. O'Sullivan
General President
Laborers' International Union
of North America (LIUNA)

Bruce Raynor
General President
UNITE HERE

Our view regarding the major provisions of S. 1145 generally concurs with the views of the National Association of Patent Practitioners (NAPP) as outlined in their letter to your office dated December 27, 2007 (see attached). We are in particular agreement with the following passage from NAPP's letter.

Arturo S. Rodriguez
President
United Farm Workers
of America (UFW)

Andrew L. Stern
International President
Service Employees
International Union (SEIU)

It seems quite obvious that passing such a bill would embolden infringers to ignore patents instead of settling or otherwise dealing with the patents. The result can only be more lawsuits and less inventor rights, less innovation, and threats to jobs and manufacturing

We have noted with particular alarm that several articles in China and India have already said that the “reform” bill being considered by Congress would make it easier for “knock-off” businesses to gain access to U.S. inventions. Economic growth depends upon the continued strength and reliability of the U.S. patent system, which has recognized and protected the rights of inventors for 200+ years. The problem is that essentially all of the major proposals in the current bill (either form) would weaken patents.

While the original purpose of patent reform legislation was to alleviate unwarranted patent litigation against technology users, instead the provisions of S. 1145 will serve to further shift the power over the use and development of new technologies and processes to the most dominant companies in industries that control the major sectors of our economy. We fear that further consolidating corporate power at the expense of small inventors will not only stifle innovation, but also place additional downward pressure on wages, harming those most vulnerable in our economy at a time when they need help to be lifted up.

The current patent debate in the U.S. Congress has been depicted by the media as simply a power struggle between two different sectors of the economy with divergent business models — the information technology and pharmaceutical industries. While this view is not without merit, such a simple dichotomy is not adequate for understanding the current battle over the U.S. patent system. Many inventors lack the power of the pharmaceutical giants, and the real struggle is to ensure that the legal and economic balance is not tipped so far in favor of users that the incentive to innovate is threatened. Inventors increasingly find their rights difficult to enforce, and S. 1145 would dangerously accelerate this growing imbalance.

Thus the bill presents a choice between an economy that fosters innovation, new ideas and products, job creation and more consumer choices vs. an economy that is controlled by a few corporate giants that would like to dictate the direction and pace of change while ensuring that the role of U.S. citizens is limited to that of passive purchasers rather than active citizens. This is why inventors, engineers, venture capitalists and research universities —key players who drive innovation in the U.S. economy — have all expressed their opposition to S. 1145.

As they chase profits around the globe, some large corporations are now actively working to undermine the rights of those who drive a good deal of American innovation. These global corporations are seeking to weaken the protections offered by the U.S. patent system in order to stifle any “game changing” innovation that could potentially disrupt their business model, a model which is built primarily on market power and labor arbitrage.

American resourcefulness and creativity remain competitive strengths for our nation, and will grow in importance in the 21st century. The challenges of seeking new energy sources and protecting the environment will require multiple generations of rapid industrial change. It would be a shame if we were able to provide global leadership without reaping the economic benefits of breakthrough technologies.

We would be happy to work with your office on legislation that would strengthen rather than weaken the patent system so that it can continue to provide needed protections for the fruits of American ingenuity while also alleviating frivolous patent litigation. Passage of S.1145 without significant modifications would jeopardize, rather than encourage, economic innovation and growth that would benefit the vast majority of working Americans.

Sincerely,



Anna Burger
Chair