

U.S. Supreme Court Decision will Drive Innovation by Protecting Inventors and Start-Ups

Statement of the U.S. Alliance for Startups and Inventors for Jobs (USIJ) on Supreme Court Decision in Halo Electronics, Inc v. Pulse Electronics, Inc.

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Charles Giancarlo, Chairman of the Board of Advisors for USIJ issued the following:

"The unanimous decision from our nation's high court in the *Halo* case interjects some much-needed balance into our nation's patent system. We are pleased the Court recognized that the, "*Seagate* test ... can have the effect of insulating some of the worst patent infringers from any liability for enhanced damages."

"We are hopeful this decision will help reverse a growing trend in which many large, incumbent companies willfully ignore the patent rights of others --- including inventors, universities, and research-intensive startups, many of whom are developing transformative technologies that will spawn whole new industries.

"As a group representing the interests of small inventors and start-up companies, we know first-hand how important enforceable patent rights are to our nation's economic and R&D ecosystems. We are also all too familiar with the now common practice of "efficient infringement" whereby large bad-actors make a calculated decision to completely ignore the patents of, and to not pay royalties to, small, inventive companies who have developed patented technology the larger company wants to use. The large infringer knows it is difficult or impossible for the small company to prevail in a costly court system that, based on their lobbying activities, is increasingly stacked in favor of the large infringer with deep pockets. Today's decision will restore some protection to our inventors from the predatory IP practices of large company bad-actors."

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The Alliance of U.S. Startups and Inventors for Jobs (USIJ) is a group of nearly 50 Silicon Valley-based inventive startups, inventors, investors and entrepreneurs. Collectively, we have launched dozens of companies in areas including biotechnology, clean energy, medical devices and wireless technology. We invent real things and create real companies. We also rely on the strength of the U.S. patent system to create these companies, breakthroughs and jobs.