



IBM Statement of Opposition to Extension of Covered Business Method Patent Program

Washington, D.C. (June 11, 2015) – IBM today issued the following statement outlining the company's opposition to Rep. Darrell Issa's proposed amendment to H.R. 9 - the Innovation Act - that would extend the Transitional Covered Business Method Patent Program:

"The Innovation and PATENT Acts have the potential to strengthen America's patent system by protecting innovation and curbing fraudulent litigation that hurts businesses big and small - but not if they extend the Transitional Program for Covered Business Method Patents (CBM). Software is the medium of 21st Century innovation, yet the CBM program arbitrarily devalues software-based patents. At a time when America is racing to compete in the global digital economy, we cannot afford to extend any program that keeps our best innovations on the sidelines. IBM urges the House and Senate to strip extension of the CBM program out of any legislation to ensure software remains a driver of innovation and economic growth in the United States."

-- *Christopher A. Padilla, Vice President, IBM Government & Regulatory Affairs*

The company also shared several facts illustrating the importance and economic contribution of software-based inventions.

Key Facts on Software Innovation

- **Economic Value:** The long-term economic importance of software cannot be overstated. In 2012, the software industry contributed \$526 billion to U.S. GDP.
- **Innovation:** Software is the medium of modern innovation. How is CBM hampering that innovation? By providing a mechanism for striking down the validity of inventions such as technology used to secure business and personal data, and technology that lets you find nearby ATM's, restaurants and gas stations on your mobile device. These are not hypotheticals, but recent examples.
- **Inventors:** Any extension of CBM will impede economic growth by sending a clear message to software developers: that their inventions, born through tremendous talent and creativity, do not merit the protection of America's patent system.

#