

## **Fallbrook Technologies Inc. Joins over 200 U.S. Companies in Asking Congress to Amend Patent Reform Act of 2007**

***– Group calls for changes in pending law to preserve the value of U.S. patents –***

(San Diego, Calif., June 20, 2007 – Fallbrook Technologies Inc. (Fallbrook), a pioneering technology development company and a member of the Innovation Alliance, announced today that it has joined over 200 other innovative American companies in sending a letter to Congressional leaders expressing serious concern over certain measures in The Patent Reform Act of 2007, now pending before the Senate (S 1145) and the House of Representatives (H.R. 1908).

The Patent Reform Act of 2007, which was introduced in Congress on April 18, 2007, would make sweeping changes to current law relating to patent procurement, enforcement and validity with the intention of addressing perceived inequities in patent infringement lawsuits as well as improving the quality of issued patents. However, the letter sent by Fallbrook and the other companies states that certain aspects of the legislation will inadvertently accomplish the exact opposite by undermining the value of patents. As a result, according to the letter, the Act will hinder innovation across all sectors of the American economy.

The letter argues for four significant changes to be made to the Act:

- Deletion of the section covering the apportionment of damages. The letter states that language in this section is unclear, will increase litigation, and will force judges and juries to make complex calculations for which they are ill-equipped.
- Removal of the Act's provisions for a new, open-ended, administrative post-grant review mechanism. The letter contends that this system, as written, could be used by virtually any third party that seeks to harass the patent holder.
- Removal of the Act's provision granting unprecedented rulemaking authority to the Patent and Trademark Office. According to the letter, this rulemaking authority was expressly granted to Congress by the U.S. Constitution, and cannot be delegated.
- Addition of language providing for adequate grace periods to allow patent holders to adjust to the proposed changes to certain aspects in patent laws and rules, such as filing requirements. The letter states that the Act as now written does not provide for such grace periods.

"We see the Patent Reform Act of 2007 as an attack on the patent system and an attack on small business," said William Klehm III, president and CEO of Fallbrook. "As a nation, we are in danger of losing our status as the world's premier innovator – and this law, if passed as it's now written – will hasten that loss. We're calling on all companies who depend on intellectual property to join us in sending Congress the message that this law must be changed to protect our patent rights."

The Innovation Alliance is a group of American companies committed to improving patent quality while protecting and promoting innovation. The Alliance believes that maintaining a strong patent system requires targeted, balanced reform as opposed to the massive restructuring now called for in the Patent Reform Act of 2007.

To see the full text of the letter and find out more about the patent Reform Act of 2007, please visit [www.innovationalliance.net](http://www.innovationalliance.net).

### **About Fallbrook Technologies Inc.**

Fallbrook Technologies Inc. (Fallbrook) is a technology development company dedicated to improving the performance and flexibility of transmissions for vehicles and equipment. Fallbrook's revolutionary NuVinci™ continuously variable planetary (CVP) technology is applicable to virtually any machines that use a transmission such as bicycles, light electric vehicles, automobiles, agricultural equipment, and utility class wind turbines among others. The NuVinci technology offers companies the flexibility to design and produce next generation products that are better tailored to their unique business, market and competitive requirements. To learn more about Fallbrook and its NuVinci technology, please visit [www.fallbrooktech.com](http://www.fallbrooktech.com).