

PRESS RELEASE: For immediate release: who, what, when, where

Who: US Government-DOD (Army, Air Force, Navy, Marines and Departments, Centers of Excellence T2,TRICARE, Veterans Administration, Department of Health & Human Services and sub-contractors; **What:** Patent infringement/theft ('takings' 5th Amendment) of patented invention estimated at up to \$1B or more. Proof of major downside risk to so-called patent reform just passed by House and Senate; **When:** Documented (hundreds + video) 8 years infringing US 6425764. Freedom of Information Act FOIA revealed that the NAVY has totally denied all patent infringement administrative claims for 15 years; **Where:** Military facilities, Veteran hospitals, universities, sub-contractors throughout U.S.; and **IMPACT:** U.S. Economy, Job loss in California, Health care jobs lost to other states such as Georgia.

http://en.wikipedia.org/wiki/Virtual_reality_therapy

San Rafael, CA (July 19, 2011): **CALIFORNIA INVENTOR SUES US GOV FOR \$100M+ FOR USE OF INVENTION ON PTSD TREATMENT METHOD**

Over 20 years ago, Dr. Ralph Lamson, a psychologist from San Rafael, CA was hiking in the Muir Woods when he experienced another episode of acrophobia (fear of heights) and mentioned to his friend that perhaps virtual reality simulations would be a way to help treat that. The friend said it sounded like "Virtual Therapy". Some time later, Dr Lamson saw notice of a trade show where VR equipment was on display. Donning the head mounted display for a simulated elevator ride, Lamson once again experienced his fear of heights, but this time in virtual reality, and he found that the more he used it the less scared he became. As a psychologist, he knew this confirmed his earlier thoughts while hiking and used VR to treat himself. Now, thinking he might be on to something, he went to work in early 1993 to test the theory which he termed "Virtual Therapy" and found in his first large scale test that he was able to cure over 90% (38 out of 40) patients, most in one 90 minute session. Previously, a 60% cure rate in about 10 one hour sessions was the norm. Lamson published an article and was in 1994 awarded a Cybertechnology Journal "application of the year" award, predicting it would have widespread application to many other phobias, stress disorders and mental conditions. He began getting phonecalls, letters, and visitors from the military wanting to learn more about his invention. Fast forward ten years to 2004, when Dr. Rizzo at USC's Institute of Creative Technologies ("USC-ICT"), who knew of Dr. Lamson's pioneering work with virtual reality immersion therapy or VRIT, began adapting this treatment for PTSD, taking the video game "Full Spectrum Warrior", and with Dept. of Defense funding developed "Virtual Iraq", a program (see <http://ict.usc.edu/projects/ptsd/>) of virtual reality immersion therapy (VRIT) for the treatment of Post-traumatic Stress Disorder ("PTSD"). In Virtual Iraq soldiers recreate traumatic experiences under controlled virtual reality in order to help get over them. It works so well that Dr. Rizzo and others working under DOD funding, grants and contracts have received millions in support of this program. In fact, Virtual Reality Immersion Therapy or VRIT has become the preferred treatment for PTSD and has the potential to save American taxpayers over a billion dollars as America tries to cure more than 300,000 PTSD sufferers. VRIT is quicker and more effective, so it lessens the chance of suicide or criminal behavior by sufferers of PTSD and other anxiety disorders. See LA Times (1995), San Francisco Business Times (1994), Marin Independent Journal (1994) attachments. But, the reality is that this was invented by Dr. Lamson. Lamson says the Government stole his invention and that jobs have been lost in California and shipped out-of-state as a result, and he has hundreds of publications and videos to back up his story, including a patent (6,425,764) and book "Virtual Therapy" <http://www.amazon.com/dp/B005BCOFXU> published in 1997, two years before the US Army funded the creation of the USC program in 1999. http://en.wikipedia.org/wiki/Institute_for_Creative_Technologies. It is that patent that is the basis of

his lawsuit. After years of requesting compensation from the Government, Lamson has recently filed suit against Uncle Sam for more than \$100 million for unauthorized use of his invention.

The Wikipedia article at http://en.wikipedia.org/wiki/Virtual_reality_therapy describes this technology and Dr. Lamson's status as the pioneer in the field. Does theft of local industry jobs, say in southern California, concern you? Does theft of intellectual property interest you? Would you be concerned if it was the U.S. Government itself that was 'taking' intellectual property (patents) and using these without permission of the inventor and without any payment whatsoever, let alone payment of 'just compensation' as required by the 5th Amendment of the US Constitution? Is there a relationship between the Congressional passage of patent reform and theft of patents from small businesses and independent inventors? Dr. Lamson knows the answer because it happened to him! His Government stole his invention, one which might have resulted in hundreds of San Francisco area jobs and sent those jobs to Belgium, Canada, Georgia, Florida, Maryland, Hawaii, Washington state, and to military bases and VA hospitals world-wide.

How does this relate to current patent legislation? Well, even though he was first to invent Lamson was second to file. With passage June 23, 2011 of HR1249, the first to invent will no longer get the patent as has been the case since the first US Patent law in 1790. Instead, both House and Senate has passed legislation switching to a system where any inventor who is first to get to the Patent Office with an application gets the patent, not the true first inventor. This means that anyone (especially BIG Government and BIG corporations) who learns about an invention that someone else discovered can pretend to discover it themselves, then easily afford to have their eagerly awaiting patent attorneys rush to file and obtain a patent and use that patent to stop the true inventor. The independent inventor cannot afford the cost to move that quickly or to file on each possible wrinkle of his invention and will be out-of-luck. If the pretender is a BIG company (Microsoft, IBM, GE, etc.) or worse yet (but just as likely if not more likely) a foreign company, the jobs that the independent inventor would have had to create here, being too small to start overseas, to make his business grow will (hear the sucking sound) go overseas. And since the invention is presumably something better, it will displace existing American businesses and jobs. The economy will further erode. More jobs will disappear overseas, and once these new industries set up shop overseas the factories are there not here and the jobs will never return.

As Dr. Lamson points out, "If so-called 'patent reform' was law in 1997 when my patent was filed, I would have lost a lifetime of work with no recourse." Congress wants to "streamline" the patent process by making it easier for government, corporations, and others to steal from inventors. "The Department of Defense ("DOD"), Office of Naval Research ("ONR"), Army, Air Force agencies and divisions, Defense Centers of Excellence, Naval Postgraduate School Monterrey, US Department of Veterans Administration, Department of Health and Human Services, multiple VA hospitals and TRICARE, as well as several Government contractors and grantees are all infringing my patent", Dr. Lamson notes. "If patent reform was the law, I would just have to watch and cry. But that's not what the Constitution says in the Fifth Amendment. It says

Amendment V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual

service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

“The theft of my invention by my Government without due process or just compensation began years ago when officers from the Naval Postgraduate School, Monterrey visited me in San Rafael to steal my invention. They wanted to find out about this 'remarkable new technology' (Scott Pelley's description of VRIT for PTSD on the CBS Evening New), my virtual reality psychotherapy discovery, the secrets of my VRIT treatments, and anything else they could steal concerning my VRIT. And I trusted my Government. That was sure a mistake. Don't you make the mistake of trusting them on Patent Reform, either” says Lamson.

Dr. Lamson describes the theft of his invention. “The Navy began its own VRIT program almost immediately after learning how I did mine. Sure, the Navy now denies theft of my invention but evidence even in the public domain is overwhelming and demonstrates otherwise. For example they asked me to submit an SBIR (small business innovation & research) funding request but denied my request and instead wrote up their own funding request for their own program to do essentially what I had requested and described. They then sent the manager of that program to attend my seminar to learn more from me. They then funded Georgia Tech and Emory University in Atlanta (Sam Dunn, head of the Senate Armed Services Committee was from Georgia) who tried to hire him to learn have me teach my secrets and, when I turned them down, hurried up to file their own patent application on to beat me by a few months.” Meanwhile, Lamson was trying to perfect his invention, figure out the medical reasons why it worked so much better than other methods, and find funding to commercialize his invention. Lamson laments “I was really disappointed to learn that no one was interested in my work, which since I had originated the idea I felt I knew best how to make work so it could realize its maximum benefit. I was repeatedly told that venture capitalists were not going to spend their money because the Government was spending millions of dollars funding at least 5 competing programs after having stolen my invention.” So you see, had Big Business dominated the James Madison and other founders like it does our current Congress; had patent reform and it's “first to file” system been the law at that time, he would have been sunk, because he was second to file. “But, under our current patent system,” notes Lamson, “as has been the case for US inventors continuously for over 220 years since 1790, I was able to prove to the US Patent & Trademark Office that I was actually the true and first inventor and I got the patent, thus effectively invalidating the prior filed patent by the Government's invention thieves.” David Pressman, Lamson's San Francisco patent attorney did this by a sophisticated, but relatively inexpensive device that is familiar to most patent attorneys called a Rule 131 Affidavit, in which he submitted incontrovertible evidence proving Lamson's earlier invention. Due to the arduous task of overcoming that prior filing it took five long years for Lamson to get his patent. Once he got the patent, he started looking for contingent fee lawyers to go after these invention pirates who were infringing his now issued patent. But, there was not yet enough money in it and the Government, with its limitless resources, would be the Defendant. It took him seven years to locate an attorney willing to take on the Government. Bruce Burdick, Lamson's patent trial attorney, notes “Yes, you guessed it, Rule 131 will be abolished by the 'America Invents Act' so true inventors like Lamson can't do that to BIG business or BIG government any more. But patent reform was NOT the law in 1997, so Dr. Lamson, the true inventor, got the

patent in 2002 and after years of requesting the Government to pay just compensation, we filed suit this month. That suit could not have occurred under first-to-file, but rather the Ga. Tech and Emory Univ. and Government invention thieves would have been deemed the "inventor" and he would have become the infringer. So you see, his story shows the folly of this new patent bill in very real terms in a very real situation." Burdick also notes "By the way Dr. Lamson's Senators, Barbara Boxer and Dianer Feinstein were both leading opponents of First to File, arguing to the bitter end in favor of Amendments <http://www.govtrack.us/congress/vote.xpd?vote=s2011-31> seeking to delete it from S23, the corresponding Senate bill and Senator Boxer was one of only 5 voting against the entire bill. <http://www.govtrack.us/congress/vote.xpd?vote=s2011-35>. His representative, Lynn Woolsey, also voted against patent reform. <http://www.govtrack.us/congress/vote.xpd?vote=h2011-491> Dr Lamson is proud of their effort on behalf of inventors like him. We now hope the US Court of Claims sees the truth and awards him the compensation he is due for this invention that is improving the lives of so many thousands of sufferers of PTSD and other psychological disorders. In America, great inventors should not be treated like this, especially by their own Government, or they will just stop inventing. It is an outrage."

"Lest you think the Government acts fairly with inventors," Burdick notes, "Dr. Lamson tried filing an Administrative Complaint of Patent Infringement in accordance with DFARS 227.7004 with the ONR (Office of Naval Research, which serves as Intellectual Property Counsel for the Navy) but that was denied. Since the denial looked bogus, Dr Lamson checked further. By FOIA request, he has recently learned that the Navy has turned down all (yes ALL, every single one) of such complaints for at least the last 15 years. The Government issues these patents and then does not even honor them. Its really infuriating to inventors like Dr/ Lamson. His own Government has left him with no other choice but to file suit against them, so June 10, 2011 we filed suit in the US Ct. of Fed. Claims (USCFC), so his story is a matter of public record, and he will get his day in Court." His Complaint to DOD is posted online at <http://www.burdlaw.com/references/20101020%20Administrative%20Claim%20-%20final.pdf> and his court Complaint at <http://burdlaw.com/references/PX20110610%20Complaint.pdf>. If you read those Complaints you will see many of the same facts he has described above.

As Dr. Lamson notes in closing, "The US Government says it is stimulating the economy to create jobs. Just the opposite. The last remaining corner of hope for arresting a downward spiral is inventing to achieve a competitive edge for the economy and for personal livelihood. The military is not only waging war abroad but silently destroying the US economy from within. It is insidious. And now the best Congress money can buy is about to kill the patent system for inventors like me. I want to create a business, hire people and cure people and improve their lives. My Government is stopping me by stealing from me my life's work. Wonder why America's economy is in decline? Who's watching? Who's reporting? "

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