

July 17, 2013

The Honorable John Boehner  
Speaker  
United States House of Representatives

The Honorable Harry Reid  
Majority Leader  
United States Senate

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives

The Honorable Mitch McConnell  
Minority Leader  
United States Senate

Dear Speaker Boehner, Majority Leader Reid, Minority Leader Pelosi, and Minority Leader McConnell:

The undersigned organizations strongly encourage Congressional efforts to address abuses of the legal system by certain patent assertion entities, commonly referred to as patent trolls. Managing frivolous patent suits unfortunately has become an expensive distraction for a large cross section of American businesses. Instead of focusing on innovation, job creation, and economic growth, we are forced to deal with legal games that have serious consequences.

The growth and reach of patent troll activity in recent years has been astounding. Since 2005, the number of defendants sued by patent trolls has quadrupled. Last year, they sued over 7,000 defendants and sent thousands more threat letters. This activity cost the U.S. economy \$80 billion in 2011, and productive companies made \$29 billion in direct payouts. Moreover, trolls no longer only sue large tech corporations. Small and medium-sized businesses of all types, including start-ups, are now the most frequent targets. In 2012, trolls sued more non-tech companies than tech, spanning a wide range of American businesses. We seek reforms to the current system that would significantly curb trolls' ability to extort settlement demands from retailers, technology companies, small businesses, financial services institutions, state and local government entities, and many others who are today the targets of their outrageous claims.

There is a growing consensus that now is the time to address this issue. We are pleased to see Chairman Leahy and Chairman Goodlatte are seeking comprehensive legislative solutions in the Judiciary Committees. Likewise, we are encouraged that several other Members have introduced legislation to tackle some of the complex problems we face. President Obama has also weighed in with executive actions and recommended legislation. There is no single solution to this complex question, but meaningful reforms like these would make it more difficult for patent trolls to continue their destructive business model. This broad support and the willingness of Congress to work across the aisle and across chambers on this complex issue is a testament to its importance.

We look forward to working with you and your colleagues to pass strong legislation to address these important issues.

Sincerely:

*Alliance of Automobile Manufacturers  
American Association of Advertising Agencies  
American Bankers Association  
American Gaming Association  
American Hospital Association  
American Hotel & Lodging Association  
American Public Power Association  
American Public Transit Association  
Application Developers Alliance  
Association of National Advertisers  
Coalition for Patent Fairness  
Competitive Carriers Association  
COMPTEL  
Computer and Communications Industry Association  
Consumer Electronics Association  
Credit Union National Association  
Direct Marketing Association, Inc  
Electronic Frontier Foundation  
Electronic Retailing Association  
Engine Advocacy  
Financial Services Roundtable  
Food Marketing Institute  
Hattery  
Independent Community Bankers of America  
Independent Insurance Agents and Brokers of America*

*Information Technology Industry Council  
International Franchisers Association  
Internet Association  
Internet Infrastructure Association  
Motion Picture Association of America  
MPA – The Association of Magazine Media  
National Association of Broadcasters  
National Association of Realtors  
National Cable & Telecommunications Association  
National Council of Chain Restaurants  
National Grocers Association  
National Restaurant Association  
National Retail Federation  
Newspaper Association of America  
NTCA – The Rural Broadband Association  
Online Publishers Association  
Printing Industries of America  
Public Knowledge  
Retail Industry Leaders Association  
Securities Industry and Financial Markets Association  
Software & Information Industry Association  
TechAmerica  
TechNet  
United States Telecom Association  
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CC: The Honorable Bob Goodlatte  
The Honorable Patrick Leahy  
The Honorable John Conyers  
The Honorable Chuck Grassley