

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 Transportation 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*  
*1776*

CC: The Honorable Bob Goodlatte  
The Honorable Patrick Leahy  
The Honorable John Conyers  
The Honorable Chuck Grassley