

The Switch

Patent reform advocates are launching a 'super-coalition' to whack patent trolls

By **Brian Fung** January 15

What do department stores and restaurants have in common with search engines and social networks? For one thing, it's that they're all getting sued by patent trolls, companies that accuse other businesses of patent infringement in hopes of winning settlement money. Patent trolls are largely perceived as a problem for the tech industry — but the damage done by patent trolls is increasingly spilling over into other sectors, too. And now those industries are joining tech firms in a massive renewed push for patent reform legislation.

On Thursday, advocates for congressional action will debut a massive lobbying coalition, such as Google, Microsoft, Amazon, Facebook, and Apple, including

Macy's, JCPenney and the National Association of Realtors. Others in the coalition, known as United for Patent Reform, will include the restaurant lobby, the hotel industry and telecom companies such as Verizon. Altogether, the group will begin with 20 founding members.

"This is really a super-coalition," said Beth Provenzano, vice president of government relations for the National Retail Federation and a co-chair of the new group. "It's really

big. It's an attempt to get the pro-reform side really working closely together."

The announcement comes as Congress is expected to take up patent legislation anew after it unexpectedly stalled last year. The new coalition, which Provenzano said could wind up involving "hundreds" of members, kicks off a wider lobbying effort that will include an advertising blitz, events in lawmakers' home districts and meetings with them on Capitol Hill.

It's easy to think of patent trolls as a tech-sector problem. Online shopping carts, podcasting, the scanning of documents to e-mail — all have been subject to frivolous lawsuits at one time or another because patent trolls saw an opportunity to make money. Lawmakers such as Sen. Claire McCaskill (D-Mo.) have called these businesses "bottom-feeders" that represent a drain on start-ups and innovation. The Federal Trade Commission has [punished](#) some trolls — also known as patent assertion entities — for making deceptive and misleading claims in their demand letters. By some estimates, trolls account for [an astounding share](#) of patent infringement lawsuits. And last February, more than three dozen state attorneys general [wrote a letter to Congress](#) urging them to act against those companies.

In the past two years, brick-and-mortar businesses have reported a major uptick in lawsuits from patent trolls, too. Companies such as Home Depot, whose employees use in-store WiFi to communicate with one another and to monitor store shelves, have been sued by patent trolls asserting a claim to patents covering WiFi routers, according to Susan Davies, an intellectual property lawyer who helped draft Congress' last patent bill, the America Invents Act. Davies is a partner at the firm Kirkland & Ellis and will be chief counsel for United for Patent Reform.

Other influential voices in Washington are expected to join the coalition in coming weeks. The group has been reaching out to associations representing start-ups and app developers, among others, in a bid to represent a cross-section of the U.S. private sector.

Among the groups that may join? The Internet Association, which represents popular companies such as Netflix, reddit and eBay.

"The push for patent reform enjoys the support of a broad swath of the economy," said Noah Theran, a spokesman for the Internet Association. "The Internet industry looks forward to working with those who look to put an end to patent trolls once and for all."

Analysts have pointed to patent reform as an area where the White House and the new Republican-held Congress are likely to find easy agreement. It's unclear when significant action may take place. Still, the bipartisan nature of the issue reflects the way patent trolls have come to affect nearly all businesses, said Jon Potter, president of the Application Developers' Alliance.

"When patent reform was being fought several years ago, it was tech versus pharma," said Potter. "In the last year, it became quite clear ... this is no longer a tech-industry issue. It's become much, much broader."

Have more to say on this topic? Join us today for our weekly live chat, Switchback. We'll kick things off at 11 a.m. Eastern. You can submit your questions now, [right here](#).

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