



February 3, 2015

The Honorable Bob Goodlatte
Chairman, Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Chairman Goodlatte:

I write today on behalf of ACT | The App Association and the more than 5,000 mobile app and software companies we represent in support of the Innovation Act. We want to thank you for introducing this important piece of legislation and your continued efforts to seek input from stakeholders like ACT. ACT supports the bill and encourages all members to vote for passage.

Our member companies are facing attacks on a daily basis from patent trolls. ACT supports the Innovation Act and believes that this bill is a major step in dealing with the damage done by bad actors who abuse the system.

Vague assertions of patent infringement and lack of transparency are creating fear and uncertainty among app developers, many of whom have very limited experience with the patent system. Patent trolls succeed because their claims of infringement are confusing and vague, forcing our member companies to pay licensing fees to avoid more expensive litigation. Small businesses feel trapped because the cost of fighting is often lower than the cost of settling, even when the company being sued is not infringing.

We specifically want to thank you for three elements of the legislation:

- Transparency in patent ownership – Lawsuits often do not disclose the real party at interest. Small businesses often do not have patent lawyers on staff to look into claims. Transparency in patent ownership benefits the entire patent ecosystem and should be encouraged.
- Transparency in what the patent owner claims as infringement – Small businesses, even those without lawyers, would be able to more easily examine the claims against them and make better choices about whether or not their products are actually infringing with greater specificity in pleading.

ACT | The App Association

1401 K Street NW Suite 502
Washington, DC 20005

 202.331.2130

 @ACTonline

 ACTonline.org

 /actonline



- Fee shifting – This makes it easier for judges, in appropriate circumstances, to award small businesses costs and attorney’s fees when aggressive plaintiffs have engaged in abusive litigation practices.

Patent trolls are a serious concern and we thank you for your work in protecting small businesses from patent trolls. We look forward to working with you to build a better patent system that protects innovation while preventing abuse.

Sincerely,

A handwritten signature in black ink that reads "Morgan Reed".

Morgan Reed
Executive Director