



February 27, 2013

The Honorable Bob Goodlatte
Chair
Committee on the Judiciary
2138 Rayburn House Office Building
Washington, DC 20515

The Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
2138 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Goodlatte and Ranking Member Conyers,

We, the undersigned, write today as entrepreneurs, investors, and innovators in support of the Saving High-tech Innovators from Egregious Legal Disputes (SHIELD) Act and other legislative measures aimed at reducing costly litigation created by non-practicing entities, often referred to as patent trolls. Congress should consider measures that shift incentives away from those who game the system and toward an innovative economy and competitive market.

As President Obama acknowledged earlier this month, patent trolls, “essentially leverage and hijack” patents originally issued to others in an effort to “extort” money through litigation. Young, innovative companies are increasingly targets of these lawsuits. While big companies paid much of the \$29 billion in direct costs resulting from activities by patent trolls in 2011, the costs made up a larger share of small companies’ revenue.¹ In fact, the majority of companies targeted by patent trolls have less than \$10 million in revenue.²

Without startups, there would have been no net job growth in the United States over the last two decades.³ Congress needs to make measures like the SHIELD Act a priority in 2013 so that innovative companies and entrepreneurs can continue to grow without the threats posed by non-practicing entities. Congress must take action and fix the patent troll problem. We urge the committee to call hearings on patent troll litigation and to solicit information from the innovation community at-large.

Sincerely,

¹ James E. Bessen & Michael J. Meurer “The Direct Costs from NPE Disputes” *Boston University School of Law, Law and Economics Research Paper No. 12-34*, June 2012
<http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2091210>

² Colleen V. Chien “Startups and Patent Trolls” *Santa Clara University Legal Studies Research Paper No. 09-12*, September 2012 <https://papers.ssrn.com/sol3/Papers.cfm?abstract_id=2146251>

³ Tim Kane “The Importance of Startups in Job Creation and Job Destruction” *Kauffman Foundation Research Series: Firm Formation and Economic Growth*, July 2010
<http://www.kauffman.org/uploadedfiles/firm_formation_importance_of_startups.pdf>



Nathan Allen
Four First Names

Mark Cuban
Dallas Mavericks

Erick Hitter
Automatic Inc

Luis Arbulu
Hattery

Rutul Davè
Bright Funds, Inc.

Trenidad Hubbard
Game Face Sports
International, LLC

Joen Asmussen
Automatic Inc.

Pete Davies
Automatic Inc

Terry Floyd Johnson
Showdown Royal

Seth Bannon
Amicus

Christian Dawson
Internet Infrastructure
Coalition

Jeevan Kalanithi
Sifteo

James R Bazet
Cobra Electronics
Corporation

Derek Dukes
Dipity

Seth Levine
Foundary Group

Matthew Bellows
Yesware, Inc

Mat Ellis
Cloudability

John Levisay
Sympoz Inc.

Paul Berberian
Orbotix, Inc.

Edward Engler
Pittsburgh Equity Partners

Benjamin Lewis
The MadCelt Studios

Aaron N. Block
BayRu LLC

Tim Enwall
Mobiplug Networks, Inc

David Mandell
PivotDesk

Matthew Y. Blumberg
Return Path, Inc.

Brad Feld
Foundry Group

Michael Masnick
Floor64, Inc.

Brad Burnham
Union Square Ventures

Rand Fishkin
SEOMoz

Ryan McIntyre
Foundry Group

David Cohen
TechStars

Chris Franks
Moblify

Josh Mendelsohn
Hattery

Jessica Cole
Roammeo, Inc.

William Randolph Fry
Fry's Electronics, Inc.

Jason Mendelson
Foundry Group

Dave Copps
PureDiscovery

Nick Hamze
Automatic Inc.

David Merrill
Sifteo



Jesse Miller
Attachments.me

Jesse Suchmann
DIGITAS

Christopher Neumann
Datahero, Inc.

Steven Tiffen
The Tiffen Company

George Northup
Memeo Inc.

Joshua To
Hattery

Ethan Rishon Oberman
SpiderOak, Inc.

Max Uhlenhuth
SilviaTerra

Alexis Ohanian
reddit

Elizabeth Urello
Automattic Inc

Scott Petry
Authentic8

Alexander Shalek White
Next Big Sound

Daniel Pidgeon
Starpower

Victor Wong
PaperG

Lamar Porter
CIKI, Inc.

Skylar Woodward
Trumo, Inc.

Ian C Rogers
Daisy, A Beats by Dre
Company

Adam Wooley
Brute Labs

Toni Schneider
Automattic Inc.

Gary Yacoubian
Specialty Technologies,
LLC dba SVS

Paul Sieminski
Automattic Inc

Jun Zhang
Vercury Inc.

Keith Lloyd Smith
BigDoor

cc: The House Committee on the Judiciary



Organization Contacts:

Edward Goodmann
Policy Manager
Engine Advocacy
edwardg@engine.is

Julie Samuels
Staff Attorney
The Mark Cuban Chair to Eliminate Stupid Patents
Electronic Frontier Foundation
julie@eff.org