

Congress of the United States
Washington, DC 20515

June 6, 2013

Chairwoman Edith Ramirez
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Chairwoman Ramirez:

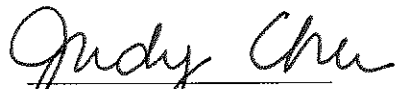
As Members of Congress, we are closely following the troubling practices carried out by patent assertion entities, commonly known as patent trolls, throughout the country. We are most concerned about practices that target end users who are the downstream users of technology. These end users include individual consumers, non-profits, local governments, and small to large businesses. End users are facing unforeseen consequences after rightfully purchasing products or services in the marketplace. We believe that some practices performed by patent assertion entities may warrant the Commission's review through its Section 5 authority.

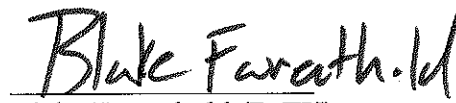
For example, public safety units of local governments received letters in which a patent troll claimed that the government's 9-1-1 system service provider was infringing on a patent held by the troll. One of the provider's customers put a project on hold after receiving the letter. End users such as coffee shops, hotels and restaurant chains received letters from patent assertion entities who claimed that the end users infringed on their patent because they provided wireless Internet access on their property. Thirteen thousand letters were sent to various end users and they were told to pay \$2,000 or \$3,000 per location or they would be sued. A famous Texas food chain, Whataburger, opted to postpone putting Wi-Fi in its restaurants after assessing the potential litigation for purchasing off-the-shelf wireless routers. These actions indicate that patent trolls are using a business model that seeks to extract money from end users who must make the difficult choice to settle in order to continue investing in their businesses, rather than pursue potentially frivolous litigation.

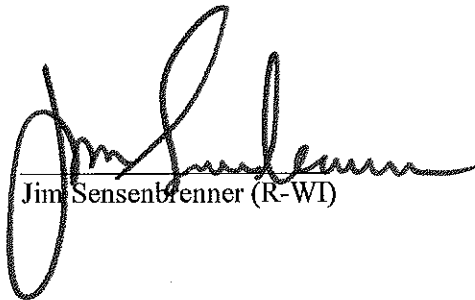
Recently, the Attorney General of Vermont filed suit against MPHJ Technology Investments, LLC. The suit alleges that MPHJ Technology violated the Vermont Consumer Protection Act by engaging in unfair and deceptive acts in which they sent a series of threatening letters to many small businesses and non-profit organizations in Vermont, and demanded about \$1,000 per employee for the patent infringement. The letter states that the patent troll has a combination of issued patents and patents pending which cover the end users' ability to scan a document and transmit it as a PDF attachment directly to an employee's email account. The complaint further alleges that MPHJ Technology, "performed little, if any, due diligence to confirm that the targeted businesses were actually infringing its patents prior to sending these letters." Vermont's


Attorney General states that hundreds or thousands of other businesses outside of Vermont also received such letters.

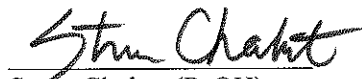
As our nation's agency that protects consumers from fraud, deception, and unfair business practices, we urge the Commission to examine the practices of patent assertion entities that wrongfully target end users and to utilize the authority it has under Section 5 of the Federal Trade Commission Act if any deceptive and unfair practices are found. Thank you for your attention to this important issue.

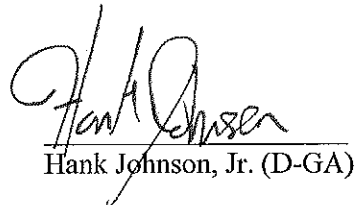

Judy Chu (D-CA)


Blake Farenthold (R-TX)


Jim Sensenbrenner (R-WI)


Zoe Lofgren (D-CA)

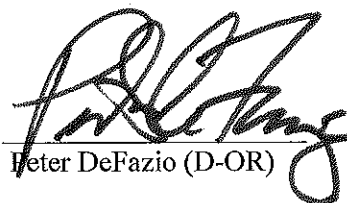

Steve Chabot (R-OH)

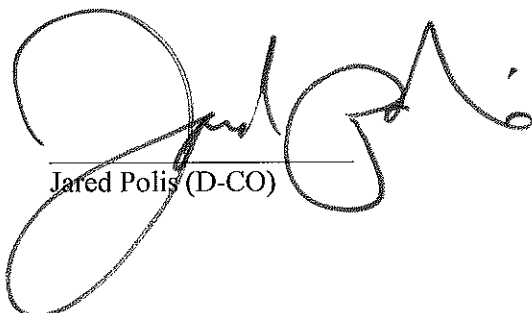

Hank Johnson, Jr. (D-GA)



Darrell Issa (R-CA)


Jason Chaffetz (R-UT)


Trent Franks (R-AZ)

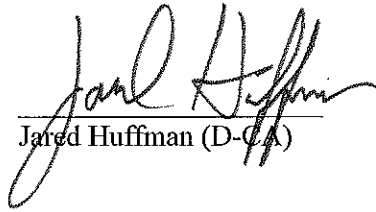

Peter DeFazio (D-OR)


Jared Polis (D-CO)

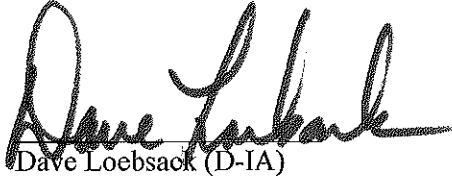

Pete Olson (R-TX)



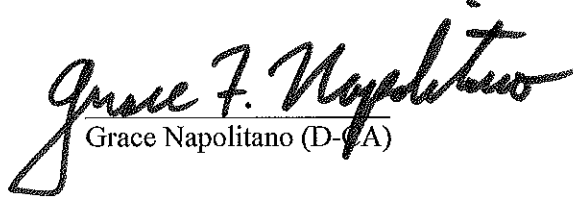
Andy Harris (R-MD)



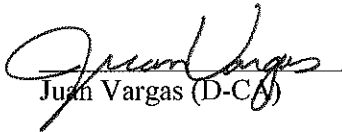
Jared Huffman (D-CA)



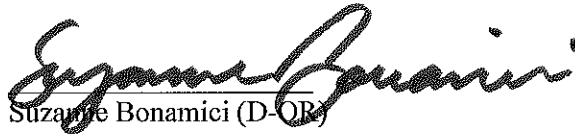
Dave Loebsack (D-IA)



Grace Napolitano (D-CA)



Juan Vargas (D-CA)



Suzanne Bonamici (D-OR)