



May 26, 2015

The Honorable Michael Burgess
United States House of Representatives
2336 Rayburn House Office Building
Washington, DC 20515

The Honorable Marcy Kaptur
United States House of Representatives
2186 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Burgess and Kaptur:

On behalf of the National Small Business Association (NSBA), I would like to thank you for introducing the *Targeting Rogue and Opaque Letters (TROL) Act of 2015* (H.R. 2045) which is a reasonable, small-business friendly alternative to other harmful patent reform initiatives. The *TROL Act* offers a balanced solution to stop the practice of fraudulent and abusive patent demand letters, while preserving the ability of patent holders to legitimately protect their intellectual property.

Patent protections are particularly important for small businesses, which operate on much smaller margins and often rely more heavily on their intellectual property for revenue than large firms. According to the U.S. Small Business Administration, small businesses produce 16 times more patents per employee than large patenting firms, which has a direct correlation with job growth.

So-called "patent trolls" unfairly target small businesses and cost American companies tens of billions of dollars every year by threatening litigation. By providing the Federal Trade Commission (FTC) authority to levy fines on these bad actors, the *TROL Act* will increase transparency and accountability where patent demand letters are involved. By empowering the FTC to levy up to \$5 million in fines against these patent trolls, this bill will have a significant impact on limiting abusive demand letters while ensuring small patent holders aren't inadvertently punished, and ultimately squeezed out of patenting altogether.

Among the key provisions in the *TROL Act* that will ensure small patentees aren't being unfairly and unjustly targeted are: the "pattern or practice" requirement that would target mass mailing of these demand letters; a "bad faith" requirement to focus on purposefully deceptive demand letters; and the establishment of a uniform federal standard for enforcement of patents.

Contrary to the NSBA-opposed *Innovation Act* (H.R. 9), the *TROL Act* has found a thoughtful way to stem the practice of patent demand letters without going so far overboard in creating a patent system that is unworkable for countless small-business inventors.

As the nation's first small-business advocacy organization with 65,000 members across the country operating on a staunchly nonpartisan basis, I applaud your efforts to include small business in your efforts to improve the U.S. patent system, and look forward to working with you on the passage of the *TROL Act*.

Sincerely,

A handwritten signature in black ink that reads "Todd McCracken". The signature is written in a cursive, slightly stylized font.

Todd McCracken, President and CEO