



# Buying the Bridge: Beating Patent Trolls at Their Own Game

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# Our Agenda

- Background of the problem
- Panel discussion regarding potential solutions

## Tom Finneran

Executive VP Agency Management Services, 4As

## Joshua Goodman

Deputy General Counsel, Digital and Media,  
Re:Sources/Publicis

## Allen Yee

Counsel, IP Litigation, Coca Cola

# What is a “Patent Troll” ?

- Primary revenue model is to enforce/license patents
- Does not have significant activity in the market
- Leverages the high cost of litigation
- Terminology:
  - NPE- Non-Practicing Entity
  - PAE- Patent Assertion Entity



“They’re just trying to essentially leverage and hijack somebody else’s idea and see if they can extort some money out of them.”

Barack Obama, February 14 2013

## Patent Trolling Cost the US \$29 BILLION in 2011 **Boston University Researchers Slam 'NPE' Lawsuits**

*Lawsuits filed by patent trolls constituted over 60% of the patent litigation filed in 2012.*

94% of NPE suits are corporate patent assertion entities.

*55% of defendants have less than \$10M in annual revenues*

- Interactive advertising utilizes common software and tools that present an easy target
- Advertiser/Agency relationship is attractive to trolls
  - High revenue (advertiser)
  - Relatively low resources (agency)
  - Tension surrounding indemnity

# What Technologies are Affected

- QR Codes
- Mobile Apps
- SMS/Text Messaging
- Expandable Tabs and Menus
- Video Streaming
- Social Media Apps
- Mobile Coupon Solutions



- Patent litigation is expensive
- NPE has economies of scale
- Patent assets are purchased from “distressed” sellers



# The Solution Lies in Industry Collaboration!

