

From: McKane Davis [e-mail address redacted]
Sent: Tuesday, November 01, 2011 3:21 PM
To: aia_implementation; [e-mail address redacted]
Subject: software patents

Thank you for your recent update about Software Patents. Your email and post was a welcomed change and is the first time I've ever seen someone from D.C actually admit that software patents are problematic. Your email focused on what Patent reform can do to ensure that future patents are not granted for overly broad or obvious ideas. This is an important part of Patent reform, but it really does nothing to solve the current crisis that companies like mine are facing.

The issue is not with future software patents, it's with ones that have already been granted. We need to focus on the ones that have already been granted. They are hidden land-mines in the pursuit of innovation. There are hundreds of thousands of overly-broad software patents buried out there. This is extremely problematic because large, venture backed companies, like Intellectual Ventures (<http://www.npr.org/blogs/money/2011/07/26/138576167/when-patents-attack>) are buying up these overly broad, poorly written patents and using them to extort small business. The companies, often called "Patent Trolls" are literally crushing innovation and forcing small companies like mine into the courtroom to defend our obvious home-grown technologies.

A few months ago, we received a threatening letter from a Patent Troll called "Kelora Systems". They are a non-practicing entity who purchased an overly-broad patent from some individual recently. Now that they own the overly-broad, terribly written patent, they are threatening tens of thousands of small ecommerce companies like us with law suits unless they settle and pay a licensing fee to have a search engine on their ecommerce site. They've demanded that we pay them \$50,000 or else they will file a law suit for patent infringement. Kelora systems is a typical Patent Troll aiming to extort money from the people in America who are actually creating value in the marketplace and jobs for Americans. Trolls like Kelora are often just shell companies for large venture-backed extortionists like Intellectual Ventures, or high powered law firms who have bought up Patents. We've already paid over \$5,000 in legal fees trying to defend ourselves and we'll likely spend another \$100,000 when they do file the law-suit. We're not able to hire more employees or grow our business like we want to because we have to pay to fight off patent trolls.

We are just one of tens of thousands of companies who are faced with extortion attempts on a regular basis. Many of us are unable to grow our businesses because of Patent Trolls. If Washington is serious about creating jobs and encouraging innovation, our President and Congress need to abolish software patents and create strict rules that punish NPE (non-practicing entities) and Patent Trolls for attempting to extort \$ from small businesses. The current system is broken and it's getting harder and harder to run a small business with Patent Trolls chasing you at every turn.

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