

NEWS RELEASE

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AG SUPPORTS PROPOSED NATIONWIDE INVESTIGATION OF PATENT TROLLS

(MONTGOMERY)--Attorney General Luther Strange today announced that Alabama has joined 42 other Attorneys General in submitting a letter to the Secretary of the Federal Trade Commission (FTC), voicing strong support for the federal agency's proposed nationwide investigation of patent trolls.

Patent trolls make baseless claims of patent infringement to extract fees or settlements from consumers. They acquire patents solely for this purpose. Consumers, small businesses and non-profit agencies are often targeted because they have purchased or used off-the-shelf commercial products that rely on common, everyday technology. These products include printers, scanners or wireless routers.

In early October, the FTC announced its plan to conduct a wide-ranging investigation of known patent trolls, also known as patent assertion entities. The proposed investigation would arm consumer protection authorities with valuable intelligence as they escalate actions against abusers of the patent system.

Recently, a number of states have taken action against patent trolls whose activities run afoul of state consumer protection and unfair trade practice laws. Although much has been discovered through investigation of specific patent troll entities, the business structure and operating methods of other such entities remain unclear.

In addition to Alabama, the states whose Attorneys General signed the December 17 letter to the FTC include Nebraska, Vermont, Alaska, Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and West Virginia.

Attorney General Strange asked Alabama businesses who may have experienced patent trolling to let his office know. "If you believe your business may have been affected by patent trolling, or if someone attempts this with you, please let us know. You may contact my Consumer Protection Division by calling 334-353-1831 or through my webpage, www.ago.alabama.gov."

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