



July 9, 2014

The Honorable Lee Terry  
Chairman, Subcommittee on Commerce,  
Manufacturing and Trade  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Jan Schakowsky  
Ranking Member, Subcommittee on Commerce,  
Manufacturing, and Trade  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman and Ranking Member Schakowsky,

The Main Street Patent Coalition (MSPC) represents businesses that operate in every community in America. MSPC members are innovative, and we support innovation every day by purchasing and licensing patented products and services. But the patent system is being abused by trolls, so we are committed to strong, comprehensive reform legislation that includes protections against meritless demand letters, litigation fee-shifting, discovery reform, heightened pleading standards, and efficient review of poor-quality patents that are likely invalid.

Because abusive patent trolls have made a business of sending our member businesses meritless demand letters that seek to extort unjustified payments, MSPC supports your leadership and the Subcommittee's path toward an independent bill that will dramatically reduce the number of bad faith demand letters. Nevertheless, the broad Main Street membership still has serious concerns about the bill's effectiveness. Our specific concerns are:

- The "affirmative defense" is overbroad, in that it creates an opportunity for trolls to intentionally alternate between good and bad faith behavior and thereby inoculate the bad faith behavior from law enforcement; and
- The bill diverges from traditional consumer protection law, which requires only that the activity be objectively deceptive. By requiring the FTC to prove a troll's bad faith, the bill seems likely to make enforcement against trolls harder instead of easier.

We urge the Subcommittee to continue its important work and to improve this bill before enactment. Requiring patent trolls to include more disclosures in their demand letters will get us closer to stopping their abusive practices. We are eager to work with you and all Subcommittee members to ensure that the bill effectively accomplishes our agreed goals.

Sincerely,

American Hotel and Lodging Association  
American Gaming Association  
The Emob  
Food Marketing Institute  
International Franchise Association  
The Latino Coalition  
National Association of Convenience Stores  
National Association of Home Builders

National Association of Realtors  
National Council of Chain Restaurants  
National Grocers Association  
National Retail Federation  
National Restaurant Association  
Printing Industries of America  
Retail Industry Leaders Association  
Society of Independent Gasoline Marketers of America

CC: Members of the House Committee on Energy and Commerce