

State of Vermont Senate Chamber



Montpelier, Vermont

Senate Resolution

By Senator Mullin, Baruth, Bray, Collins, and Doyle,

S.R. 14. Senate resolution relating to bad faith patent assertion.

Whereas, instances of bad faith patent assertion result in unfair demands for patent use payments, and

Whereas, in 2011, bad faith patent infringement actions cost American companies \$80 billion, including \$29 billion in direct payouts, and

Whereas, in 2012, bad faith patent infringement actions constituted more than over-half of the patent infringement suits filed in the United States, and

Whereas, in June 2013, President Obama issued several executive orders intended to curtail this practice, including directing the U.S. Patent and Trademark Office to tighten scrutiny of overly broad patents, and

Whereas, several large and small Vermont businesses have received demand letters for patent use payments, and

Whereas, in September 2013, Vermont business leaders met to discuss bad faith patent assertion and acknowledged the serious problem it poses to commerce in this State, and

Whereas, in 2013, the General Assembly enacted 9 V.S.A. chapter 120, providing a State judicial forum for parties facing bad faith assertions of patent infringement, and

Whereas, while all of these federal and State actions are useful, bad faith patent assertion will only be curtailed through the enactment of strong federal legislation, and

Whereas, U.S. Senator Patrick Leahy has introduced S.1720, the Patent Transparency and Improvements Act of 2013, to put a stop to this abuse of the U.S. patent system, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont supports congressional efforts to eliminate patent abuse in the form of bad faith patent assertion and the need for strong federal legislation, including fee shifting, more stringent pleading standards, and limitations on the initial discovery process, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Vermont Congressional Delegation.