



July 9, 2015

To: Members of the U.S. House of Representatives

On behalf of the more than 400,000 members of the American Institute of CPAs (AICPA), I am writing in support of H.R. 9, The Innovation Act, a bipartisan bill that we believe will protect our members and countless other individuals and businesses from unwarranted litigation from “patent trolls.”

Patent trolls, or patent holding companies (PHCs), are a growing problem for CPA firms, state CPA societies and other businesses nationwide. Numerous AICPA members have reported receiving letters from licensing entities of a PHC. These licensing requests accuse our members of misusing patented technology, with most of the accusations vaguely citing technology and software from the early days of the internet.

The AICPA strongly supports the Innovation Act, which we believe addresses the misuse of the patent system and will rid the courts of frivolous and unnecessary lawsuits. The Innovation Act implements many vital measures that will strengthen industry and promote innovation. Some of these measures include:

Targeting ONLY Abusive Patent Litigation: The bill targets abusive patent litigation with the goal of preventing individuals and PHCs from taking advantage in gaps in the current patent system. The Innovation Act does nothing to eliminate valid patent litigation.

Protecting the Patent System: This legislation has been carefully crafted as to not diminish or devalue patent rights in any way.

Increases Transparency: The Innovation Act requires the plaintiff in a patent infringement case to explain exactly why they are suing a business or individual. By requiring the accuser to do their due diligence before claiming infringement, litigation expenses will be reduced and the valuable time and resources of the courts will be saved.

Prevents Extortion: This bill prevents either party in a patent lawsuit from unilaterally racking up extreme litigation costs for the other party in an attempt to force a dubious settlement.

Places Reasonable Limits on Venue in Patent Cases: Restores Congress’s intent that patent infringement suits only be brought into relevant judicial districts. This has been a practice of Congress since 1897, however in recent years PHC lawsuits have been concentrated in the plaintiff-friendly district court of East Texas. The limits proposed in this bill protect parties against the inconvenience of

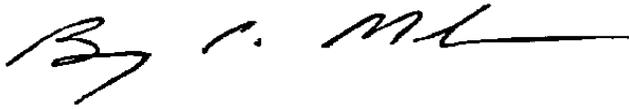
litigating patent lawsuits in districts that are unrelated to the actual case and may give the PHC an unfair advantage.

The patent troll issue is also being addressed by states; 25 states have passed legislation to address this issue, and several other states have legislation pending.

The time has come for nationwide patent reform, and we request your support when The Innovation Act goes to the House floor for consideration.

We stand ready to continue to work with you on this matter that is so crucial to jobs, innovation, and our nation's economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry C. Melancon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Barry C. Melancon, CPA, CGMA
President and CEO