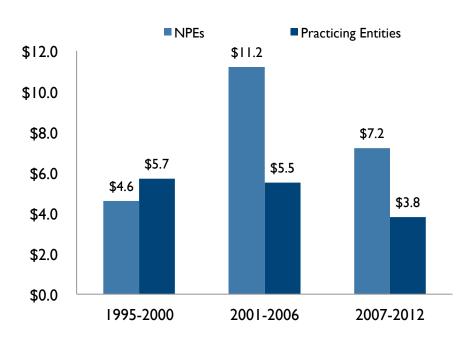
## **Reform Bill Passed to Curb Patent Litigation Abuse**

## Analysis

- Practicing entities are patent holders who make, use, or sell a product they patented, whereas non-practicing entities (NPEs), sometimes referred to as patent trolls, collect patents and strategically litigate to collect licensing fees
- Since 2001, median damages awarded to NPEs have been about double the damages awarded to practicing entities; to many in Congress and across industries, this trend is indicative of a flawed patent litigation system
- In December 2013, the House passed the Innovation Act with a vote of 325 to 91, under large bipartisan support
- Designed to curb patent litigation abuses, the Act would enforce more specificity in lawsuits and make losing plaintiffs offset legal costs for successful defendants

## Median Damages Awarded to NPEs and Practicing Entities Since 1995

(in millions)



Source: "2013 Patent Litigation Study: Big cases make big headlines, while patent cases proliferate," PricewaterhouseCoopers; Timothy Lee, "Patent reform bill passes the house 325 to 91. Here's what you need to know," The Washington Post, December 5, 2013.