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National Association of Federally-Insured Credit Unions

July 12, 2017

The Honorable Darrell Issa
Chairman
Subcommittee on Courts, Intellectual Property
and the Internet
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jerry Nadler
Ranking Member
Subcommittee on Courts, Intellectual Property
and the Internet
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing: "The Impact of Bad Patents on American Businesses"

Dear Chairman Issa and Ranking Member Nadler:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write today in advance of tomorrow's hearing, "The Impact of Bad Patents on American Businesses." On behalf of NAFCU member credit unions and the 108 million credit union members across the country, we appreciate the committee's continued efforts to seek a legislative solution to the problems plaguing our nation's patent system.

A growing number of credit unions are reporting receipt of demand letters from law firms representing patent assertion entities, claiming patent infringement, with the option to settle or face litigation. These deceptive letters are misleading, alleging that the use of everyday technology violates the patent holders' rights. Further, these letters typically posit vague theories of infringement, overstating or misinterpreting the patent in question. Because litigating is often more expensive than settling, these "patent trolls" exploit this inequity to extract payment from the recipient business who fear a complex legal battle.

NAFCU believes a legislative solution is necessary to alter the intimidating business model used by these patent assertion entities and will continue to be supportive of any congressional effort to curb these practices.

Again, thank you for holding this important hearing. If my staff or I can be of assistance to you, or if you have any questions regarding the impact of patent trolls on credit unions, please feel free to contact myself, or NAFCU's Associate Director of Legislative Affairs, Allyson Browning, at 703-842-2836.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Subcommittee on Courts, Intellectual Property and the Internet