

The FTC's Study of Patent Assertion Entities

Patents in Telecoms
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Limited Public PAE Information

- Most current information about PAEs is either anecdotal or comes from studies of publicly observed litigation activity.
 - Litigation may be a fraction of overall PAE activity.
- Little systematic public information describing:
 - PAEs corporate structure.
 - Payments made by PAEs to earlier patent holders.
 - Assertion strategies of PAEs.

FTC 6(b) Study

- FTC has the ability to collect non-public information to conduct studies in the public interest.
- Two Components of study
 - Detailed examination of the PAE industry
 - Obtain quantitative and qualitative data from 25 PAEs
 - Patent Holdings, Patent Acquisition and Transfers, Demand Letters, Litigation, Licensing.
 - Industry Case Study
 - Compare how PAE assertion behavior differs from other patent holders in the wireless chipset industry.
 - Sent information requests to 15 NPEs and manufacturers.

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Example Questions the primary study is designed to address

- What is a PAE?
 - How are PAEs organized?
 - How do PAEs acquire patents?
 - How are licensing revenues shared with previous patent owners?
 - What types of patents are asserted by PAEs?
 - Old, Standard Essential?
- How do PAEs vary?
 - Assertion strategies?
 - Corporate Structure?

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Industry Case Study

- Are PAEs more aggressive than other patent holders in asserting IP?
 - Lower discovery costs
 - Not subject to countersuit
- Compare PAE assertion activity to manufacturers and NPE in same industry
 - Are PAEs more likely to litigate to generate licenses agreements?
 - How do PAE license agreements compare to NPE and manufacturer license agreements?

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