Innovatio IP Ventures, LLC

Troll of the Quarter: Innovatio IP Ventures, LLC

Cases by Type

- Defendant: 2
- Plaintiff: 17

Cases by District

- Northern IL
- Northern CA
- Delaware
- Western WI

The low-down: In early 2011, 31 patents pertaining to wireless routers (listed in the box to the right) were assigned to Innovatio by Broadcom. Subsequently, they began their shakedown approach by sending demand letters to thousands of establishments with wi-fi routers, including local Mom & Pop coffee shops. Innovatio knows those people can't pay for litigation and don't understand things like FRAND and patent exhaustion, but they pursued them anyway. That's what makes them a troll. Cisco systems, makers of routers that allegedly infringed, stepped in and tried to fend off the attacks on their customers. Just recently, Cisco settled with Innovatio for 3.2 cents per unit. While not a full-on victory to invalidate the patents or dismiss the suits altogether, it certainly cut into Innovatio's profits. Keep a watch though, these guys will strike again!

Disclaimer: All opinions and ideas in this newsletter are mine. Information contained herein is not advice, and should not be treated as such.
Industry Trends: In a word, “legislation”. While I remain unconvinced that federal involvement is the way to go here, it speaks to the legitimacy of the problem that Capital Hill is choosing to get involved. The Goodlatte Bill made it past the House, so we’ll have to see what the Senate does now. Overall, it looks like actual patent troll litigation is trending down at the start of 2014. Good news! New York took a serious bite out of MPHJ by forcing them to repay licensing money from companies that it went after there. These are the “Scanner Dudes” who are a serious blight, even by patent troll standards.

Following up on thoughts in the Q413 QTR, I found this article from King & Spalding about patent trolls targeting oil and gas. Salient point is this: “Clearly, NPEs target U.S. or multinational companies where jurisdiction is easily established and significant resources are available to pay settlements.” This is the patent troll M.O. of yesteryear: sue deep pockets. Who has deeper pockets than Big Oil?

Deep Pockets and the Small App Developer: There will always be trolls who go after the big payoff (see above), and large operating co’s will continue to fight one another. But trolls will ramp up going after the small developers. They don’t have deep pockets, but there are a ton of them. Make it up on volume! The small dev may not have millions but he’s probably got a rich Aunt Gertrude who’ll loan him $25,000 for a license to prevent a full-blown lawsuit. That’s why it’s so important to provide tools for the little guy to use when the trolls come calling. Demand letter repositories like That Patent Tool are meant to be a clearing house for such letters, searchable so that recipients can learn and figure out how to fight back. Small devs are going to have to do something because the attacks are not likely to stop anytime soon.

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