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ATTORNEY GENERAL MADIGAN VISITS CATERPILLAR TECH CENTER, TOUTS BILL TO CRACK DOWN ON PATENT TROLLS

Attorney General Madigan & Caterpillar Urge Support for SB3405

Peoria — Attorney General Lisa Madigan today joined with representatives of Caterpillar Inc. to urge support for legislation to protect Illinois businesses from “patent trolls” that profit from making fraudulent patent infringement claims, and in turn, to help companies like Caterpillar by protecting investments in intellectual property.

Madigan visited Caterpillar’s Tech Center in Mossville, Ill., earlier today to highlight the benefits of SB3405, which her office drafted and worked to pass with assistance from Caterpillar representatives and other business and consumer protection advocates. The legislation was carefully crafted so that it cracks down on patent trolls that have sent thousands of misleading demand letters to businesses demanding licensing payments or threatening legal action for supposedly violating a patent, but it was also drafted to ensure the measure does not limit the rights of legitimate patent holders such as Caterpillar and other manufacturers and retailers in Illinois.

“We need better protections for business owners facing fraudulent and costly demands from patent trolls,” Madigan said. “This legislation will put a stop to these abusive practices while ensuring legitimate patent holders maintain their ability to pursue infringement claims.”

“We want to ensure that legitimate good faith patent communications can continue, while at the same time inhibit the sending of patent demand letters in bad faith,” said Jim Blass, Caterpillar Inc. Director of Product Validation for Product Development and Global Technology. “The bill crafted by the Attorney General accomplishes that goal.”

In their demand letters, patent trolls fail to disclose basic information, including the actual owner of the alleged patent and the circumstances surrounding any alleged infringement. Identical letters have been sent to thousands of businesses and often falsely threaten litigation even though the patent trolls have no intention of filing lawsuits. In some cases, patent trolls have targeted businesses for simply purchasing office supply products in the commercial market.

Attorney General Madigan’s legislation would ban patent demand letters that:

- Contain false or deceptive information;
- Are sent by individuals who do not have the right to license or enforce a patent;
- Falsely threaten litigation if a fee is not paid; and
- Fail to identify the individual asserting the patent and explain the alleged infringement.

The deadline to sign the bill into law is August 26. The bill was sponsored by Sen. Daniel Biss and Rep. Ann Williams. Also working with Madigan’s office and bill sponsors to pass the legislation were the following groups: Community Bankers Association of Illinois, Illinois Press Association, Illinois Credit Union League, Illinois Retail Merchants Association, Illinois CPA Society, Illinois Manufacturers’ Association, Home Builders Association of Illinois, Illinois Association of Realtors, the Illinois Department of Financial and Professional Regulation, and the Illinois Chamber of Commerce.

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