

DALLAS' ERICH SPANGENBERG IS VERY PROUD TO BE AMERICA'S BIGGEST PATENT TROLL

BY ERIC NICHOLSON

MONDAY, JULY 15, 2013 | 2 YEARS AGO



Via.

Erich Spangenberg, like others in his trade, would prefer that you refer to his stable of companies as "patent assertion entities." But he has a thick skin; you're more than welcome to call him a troll, so long as you point out that he is, in fact, the world's biggest.

Over the past five years, Spangenberg's IPNav **has sued 1,638 companies** alleging patent infringement. Countless others -- **Neiman Marcus** is one recent example -- have been on the receiving end of not-so-subtle offers to settle claims out of court, thereby avoiding costly litigation.

By any rational standards, the vast majority of the lawsuits are utterly frivolous. The holder of an obscure patent on some ubiquitous IT process or bit of bit of software code hires IPNav, which then goes after alleged violators with all the restraint of a rabid pit bull.

See also *Neiman Marcus is Fighting Back Against a Notorious Dallas-Based Patent Troll*

He demonstrated a bit of his technique for a *New York Times* profile that ran over the weekend.

Mr. Spangenberg is likely to open the conversation on a diplomatic note, but if you put up enough resistance, or try to shrug him off, he can also, as he put it, "go thug."

<http://www.dallasobserver.com/news/dallas-erich-spangenberg-is-very-proud-to-be-americas-biggest-patent-troll-7418825>

1/2

He demonstrated what that sounds like in a brief bit of role-play recently, sitting in the apartment he is renting for the summer in Paris near the Arc de Triomphe. His voice dropped, the curse words flowed, and he spoke with carefully modulated menace.

"Once you go thug, though, you can't unthug," he explained, returning to his warm and normal tone. "Actually, you can unthug, but if you do that, you can't rethug. Then you just seem crazy."

It's a practice that has become increasingly widespread and has been widely cited as evidence that the U.S. patent system is badly in need of an overhaul. Spangenberg, of course, disagrees. He asserts he is simply protecting his clients' intellectual property rights.

That argument's just a tad bit self-serving. The patent-trolling business has been very kind to Spangenberg, whose **self-spun, oft-repeated origin** myth involves walking into the Versailles-like office of a patent-assertion firm in the 1990s. He says he now makes \$25 million a year and **owns one of the most expensive homes in Dallas**, and, until recently, six Lamborghinis. His French apartment is his "Paris office."

Though clearly proud of his acquisitions, he tells the *Times* that he is embarking on a more modest lifestyle.

As money poured in, he went through an acquisitive phase that he characterized as a combination of "nouveau riche on steroids" and midlife crisis, which is how he ended up with 16 cars and a mansion with a gold leaf ceiling and a Baccarat chandelier. He snapped out of it a few years ago, after he bought so much wine at a Christie's auction that it was delivered in an 18-wheel truck. His son said he'd need to live to 200 to consume all of it.

He and his wife have since moved into an apartment, a 2,000-square-foot two-bedroom in Dallas, and he sold off all but one of his cars, a Ferrari. But he's hardly depriving himself; he's currently in the market for a Monet.

One imagines that Spangenberg's success in the patent game will be rather fleeting. He's simply exploiting the failure of the patent system to keep up with technological innovation, something that should, at some point, be remedied. Then again, IPNav's been around for a decade, and the patent-trolling business seems as lucrative as ever. So, maybe he'll be perched on his throne for a while still.

Sponsor Content

Discover The 4 Forces Driving 10 Gigabit Ethernet Adoption

Learn about Dell's 10GbE
opportunity with this infographic
from Intel.

Promoted by Intel

©2015 Dallas Observer, LP. All rights reserved.