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## THE GLOVES ARE OFF : UNIFIED PATENTS INC. UNVEILS ITS "NPE DETERRENT" STRATEGY

In the world of fighting patent trolls, there is a new player named Unified Patents Inc. that aims to level the playing field for companies such as Google, NetApp and others. Unified Patents is today announcing its aggressive, multi-faceted, collaborative deterrence strategy to help large and small companies protect their most important products and services from Non-Practicing-Entity (NPE) business models (which critics often call 'patent trolls').

An NPE is often defined as a company or individual that owns patents but does not use those patents to produce goods or services. Rather, an NPE generates revenue by asserting or litigating their patents against operating companies.

Unified Patents attacks the NPE business model one technology at a time. Its solution groups startups, small and medium-sized businesses, and large companies in protected technologies, called Micro-Pools, and then fiercely protects each Micro-Pool from NPE encroachment. Because companies only participate in (and pay for) those Micro-Pools they choose, Unified Patents tightly aligns its deterrent solution with its participating companies. Founding members in Unified Patents include technology leaders Google and NetApp.

Technology companies have tried for years to find effective solutions to combat NPEs. And for good reason, Professors Bessen and Meurer from Boston University School of Law put the cost of NPE activity at \$29 billion in legal fees and settlement costs in 2011 alone (a number that does not include the indirect costs such as management distraction and lost business opportunities). Despite existing efforts, however, NPE litigation has continued to rise. NPE litigation data provided by Patent Freedom shows that patent lawsuits involving NPEs have increased dramatically over the last five years from 521 cases in 2007 to a high of 2,923 cases in 2012 (the number of occasions when a company found itself in litigation with an NPE has also increased from 2135 in 2007 to 3859 in 2012).

For those technologies protected by a Micro-Pool, Unified Patents wants to reverse this trend by using deterrence (i.e., making a protected technology less accessible to NPE activity than an unprotected technology). Unified Patents competes head-to-head against NPEs trying to purchase patents in a protected technology. But "defensive patent purchasing is only part of the strategy," says Unified Patents' CEO Kevin Jakel, "We provide a comprehensive solution of offense and defense to protect our member's most important technology investments." By combining patent acquisitions with other efforts, such as reexamination proceedings before the USPTO, Unified Patents takes the fight to the NPEs to deter them from attacking a protected technology.

While large companies have long experimented with various approaches to resist NPEs and dubious patent assertions, small companies have typically lacked similar resources, making them easy targets for NPEs. Bessen and Meurer's study found that 82% of companies sued by NPEs made under \$100M in revenue and 50% made only \$10.8 million or less. As noted by Colleen Chien, a professor at Santa Clara University School of Law, startups and small companies are significantly impacted by NPE activity but have limited options when faced with the high costs of NPE litigation.

Recognizing the need to include small companies in its solution, Unified Patents incentivizes startup and small company participation and then helps groups of small companies protect themselves from NPEs. Small company participation acts as an early warning system, a unique contribution that allows Unified Patents to better protect a Micro-Pool as a whole. By partnering companies of all sizes, Micro-Pools can help make defensive collaboration

<http://justdemo.in/unified/2013/09/23/the-gloves-are-off-unified-patents-inc-unveils-its-npe-deterrent-strategy/>

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IPR2013-00586

Unified Patents, v. Clouding IP  
Clouding IP, LLC Ex. 2005

Page 1 of 2

Bromium Exhibit 2020



much more effective by reducing the number of easy targets vulnerable to NPEs.

Unified Patents' first two Micro-Pools cover Mobile Payments and Cloud Storage but the company has dozens of technologies identified for potential Micro-Pool protection. NPE activity has become readily apparent in these Micro-Pools where many companies are already under attack and spending millions of dollars annually in legal costs and settlements.

The company is headed up by its CEO, Kevin Jakel and COO, Brian Hinman, who between them have dozens of years of experience defending against NPE activity for major technology companies. Prior to Unified Patents, Kevin served as Intuit's Head of Intellectual Property Litigation. In this role, Kevin teamed with other companies such as Google, Verizon, and others on joint defense, legislative reform, and judicial efforts to combat NPE activity. Brian was most recently Vice President of Intellectual Property and Licensing at InterDigital Communications, Inc., and has served in similar roles at Verizon and IBM. Brian also served as the founding CEO of an alternative defensive patent entity, Allied Security Trust (AST).

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