



July 13, 2017

The Honorable Bob Goodlatte  
Chairman, Judiciary Committee  
U.S. House of Representatives  
Washington, DC 20510

The Honorable John Conyers  
Ranking Member, Judiciary Committee  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Darrell Issa  
Chairman, Subcommittee on Courts,  
Intellectual Property and the Internet  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Jerry Nadler  
Ranking Member, Subcommittee on Courts,  
Intellectual Property and the Internet  
U.S. House of Representatives  
Washington, DC 20510

Dear Chairman Goodlatte, Ranking Member Conyers, Subcommittee Chairman Issa, and Subcommittee Ranking Member Nadler:

On behalf of the National Retail Federation (NRF) and its communities, the National Council of Chain Restaurants and Shop.org, I appreciate the opportunity to submit this letter to the Subcommittee on Courts, Intellectual Property and the Internet in support of its hearing, "The Impact of Bad Patents on American Businesses," held on July 13, 2017. Retailers thank you for bringing attention to the patent litigation system to examine how to best address bad actors and abuses to strengthen America's innovation and economy.

Comprehensive patent litigation reform is still necessary to curb patent trolls' abusive practices and protect retailers and other end users of technology from frivolous patent infringement lawsuits. For legislation to be effective, it must include several key provisions to address the judicial loopholes that continue to allow patent trolls to continue to prey on retailers –at a rate higher than ever. We support strong legislation that includes protections against meritless demand letters, litigation fee-shifting, discovery reform, a consistent application of the customer stay, heightened pleading standards, and efficient review of poor-quality patents that are likely invalid.

Retail is targeted by patent trolls more often than any other industry. Patent trolls divert vital resources from retailers that they could otherwise use to invest and grow their businesses, further innovation, and create jobs. This is why we support common sense reforms that will make it more difficult for trolls to abuse the asymmetry in patent litigation costs to extort retailers.

As the world's largest retail trade association and the voice of retail worldwide, NRF represents retailers of all types and sizes, including chain restaurants and industry partners, from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S.

National Retail Federation

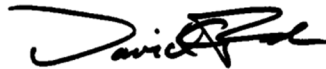
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establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation's economy. Retailers create opportunities for life-long careers, strengthen communities at home and abroad, and play a leading role in driving innovation.

We appreciate your commitment to addressing the harmful impact patent trolls have on retailers and the overall American economy. We thank you for your leadership and look forward to continuing our work together on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized with a large initial "D" and a cursive "French".

David French  
Senior Vice President  
Government Relations