PATENT TROLLS, IOT & LOT

The number of Internet of Things (IOT) -litigated patents in the US witnessed an increase of more than 400 percent from 2013 to 2018. It is estimated that the number of global Internet of Things (IOT) devices in 2018 reached 7 billion, with a market spend exceeding $150 billion. Forecasts for 2025 indicate that the number of IOT devices will increase to 22 billion, with a market spend of $1.5 trillion\(^1\).

Average cost to defend an NPE lawsuit is $3.2 million\(^2\). Whether a patent owner is an NPE should be irrelevant to those activities. The criteria should be whether the allegations of patent infringement have merit. However, startups and small companies are softest targets for trolls. About 50% of all companies sued by trolls make less than $10 million/year and over 50% of all patent lawsuits concern software patents. Tech giants like Reed Hat, Lenovo, Microsoft, etc. are giving away patents to License on Transfer (LOT) Network, a non-profit group of more than 200 companies devoted to protect its members from NPE litigation\(^3\). Recently, Microsoft pledged to donate 500 patents to the LOT Network\(^4\).

The membership is free for companies having revenue less than $5 million annually\(^5\). To immunize the community from NPEs, all LOT Network members sign an agreement that gives fellow members a free license (immunity) to any patent asset that is transferred to an NPE, effectively making it useless for the NPE litigation against the LOT Network members. NPEs can only assert them against anyone not in LOT Network.

**Number of reassigned IoT patents where the latest assignee was identified as a PAE\(^1\)**

\(^1\) Swasti Sthira Vilambi Year / PHALGUNA Month / March
Cumulative number of litigated IoT patents as to date of first litigation (US litigation)¹

Number of litigated IoT patents as to date of first litigation (United States)¹
REFERENCES AND NOTES


May the golden-eyed Santer come hither!
Shining forth he rises from the top of the divine!
Praised by singers, my God, Santer!
Stopped forth and never missed his place!
He steps forth the splendor of the sky the wide!
Swing, for shining, the shining wonderer!
- Rigveda, vii. 65

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