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Abstract

Patent trolls are companies that obtain patents with the intent to profit off of them through litigation rather than producing some form of service. These companies are capable of putting quite the strain on even large corporate entities. However, smaller start ups are the ones who are the most affected by these types of litigation, as they do not have the monetary capabilities of larger companies. The issue of patent trolls is, however, not as black and white as it is portrayed to be. Some argue that the term patent troll is not only clumsy and overly intrusive, but that these so called patent trolls are a necessity in evolving the market as well as making it more efficient. With the role of patent trolls being so unclear the question is asked, are patent trolls a threat to innovation or a necessity to evolving the market?

If small companies are the backbone of the american economy, start ups are the backbone of the tech business. Start ups, specifically ones that focus on research and development, are at the most risk of facing litigation from patent trolls, they also suffer more than other companies after dealing with patent trolls (Cite this). Stunting companies that focus on R&D will inevitably stunt the overall innovation of the tech industry, as it will only be the larger companies who will be able to keep moving forward.

This paper will focus on two sides of this argument. Firstly the importance of patent trolls in the market. This portion will largely be based around arguments made by McDonough with support thrown in from other articles that have similar arguments. The second side will be based on the affects patent trolls have on smaller companies, specifically startups, with a focus on the arguments brought up by Chien. After both sides are clearly

stated they will be compared and contrasted with help from the Bessen article which leans towards the anti-patent troll arguments.