

May 3, 2013

Board of Directors

Christian Dawson

Co-Founder & Board Chair
COO, ServInt

The Honorable Bob Goodlatte
2138 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Goodlatte:

David Snead

Co-Founder
Attorney, W. David Snead
P.C.

Launched in September 2012, the Internet Infrastructure Coalition (i2Coalition) is comprised of key players representing U.S. Internet infrastructure providers and related tech firms that help enable web hosting and cloud services. The i2Coalition supports the trailblazing enterprises that make significant private investments and drive innovation for the “nuts and bolts” of the Internet – including web hosting and data center providers, independent software vendors and service delivery and cloud enablement technology providers. We are dedicated to educating policy makers, opinion leaders and the media, sharing best practices among our members and promoting the economic benefits that our industry delivers.

David Bryson

Executive Vice President &
General Counsel
Endurance International
Group

Most Internet infrastructure providers are small to medium sized businesses, yet we are a huge economic engine in the United States generating an estimated direct and indirect \$46 billion in annual revenue with a trade flow to our country of \$9.2 billion. The more than 60 member companies of the i2Coalition strongly support legislative and regulatory strategies that promote Internet growth and innovation.

Richard Feller

Principal
Hedgehog Hosting

One area that we have been extremely vocal in relates to the need for true reform to our patent system. Specifically, we need to amend the *U.S. Patent Act* to protect the hundreds of thousands of businesses that are subject to victimization by a handful of people who are taking advantage of a broken system.

Dennis Johnson

Senior Community Advisor
iNET

According to a recent study, Patent Assertion Entities (PAEs) cost defendants and licensees \$29 billion in 2011. Small to medium sized businesses have borne the brunt of PAEs’ efforts, making up 90% of defendants sued by PAEs and bearing 37% of the aggregate costs from 2005-2011.

Andy Mentges

CEO
Jumpline, Inc.

This is particularly troubling to our industry and to our membership because we are often the target of these frivolous lawsuits which can cost a single company millions of dollars to litigate. Many tech companies - specifically startup companies - are particularly susceptible to extortion by PAEs because they know that the company cannot afford the high costs of patent litigation and, thus, has no choice but to settle. Some go out of business altogether. As a result, the broader effect is to hamper innovation, which is exactly the opposite of what the patent system was designed to encourage.

Aaron Phillips

Vice President of
Operations
c-Panel

Any proposed amendment to the *U.S. Patent Act* should protect end users from patent infringement claims. This protection is needed because PAEs harass the numerous end users of a common product or service rather than sue its manufacturer or provider – all of which drives up the cost of settling lawsuits. Further we need to clearly define an “end user item” to encompass any product that is sold publicly and that is used without modification and as intended by the manufacturer or provider, as well as any processes that those products use. The end user should not be required to pay for damages for using this kind of product or risk being enjoined from using the product. And finally the amendment should be narrowly focused to protect the true end user.

Alan Schoenbaum

Senior Vice President &
General Counsel
Rackspace

Jeanine Percival Wright

General Counsel
Media Temple, Inc.

PAEs have exploited our patent system designed to promote the progress of science and

innovation in our country. It is time to fix this exploit. Claims against our members' end users create marketplace confusion since end users rarely have a full understanding of the technology used to enable their internet solutions. Further, these assertions undermine customer confidence in the Internet by creating doubt about the ability of infrastructure providers to create solutions that are free from intellectual property claims. Protecting end users as part of a comprehensive legislative package that also includes end user immunity, fee shifting and discovery abuse will meet your objectives to restoring confidence of American businesses in the patent system.

We look forward to working with you and your staff on this important issue.

Sincerely,



Christian Dawson
Co-Founder & Chairman
i2Coalition