

EXPOSE PATENT TROLLS

JURY HITS BACK AGAINST PATENT TROLLS REJECTS MISLEADING CLAIMS & LEGAL HARASSMENT **Real Innovators, Job Creators Hit by Lawsuit in Waco**

WACO, TX (April 21, 2021) –VLSI, a front created by a multibillion-dollar hedge fund to file harassing patent lawsuits seeking huge damages, today was rebuked by a jury verdict in the second of three trials challenging one of the nation’s most important innovators and job creators, Intel. The jury said Intel did not infringe any of the multiple patents asserted by VLSI.

“Harassing lawsuits like this one – and they are filed by the hundreds – stifle innovation and economic growth,” said Josh Landau, patent counsel for the Computer and Communications Industry Association (CCIA). *“This jury rightfully recognized the meritless claims VLSI brought in this lawsuit.”* CCIA sponsors [Expose Patent Trolls](#).

VLSI is a shell company, one of many funded and created by Fortress Investment Group. Fortress is a multibillion-dollar hedge fund owned by Softbank, the 66th largest company in the world and the 5th largest in Japan. The purpose of these shell companies is to file meritless litigation seeking hundreds of millions, even billions, in damages for the use of technology that their victims actually created. These lawsuits target Texan and American job creators and innovators. VLSI, founded just four years ago, has no products and its main revenue stream comes from lawsuits. In the case decided today, the jury rejected VLSI’s claims and its request for \$2 billion+ in damages.

“These shell companies go out and buy up patents to use against real innovators. They don’t create anything; they don’t make anything. Instead, they accuse actual innovators of patent infringement, seeking billions in damages, even though the innovators were the ones who came up with their own technology,” said Landau.

[One study](#) found that these lawsuits are associated with half a trillion dollars of losses to companies targeted from 1990 through 2010. In the last four years of that period, losses averaged more than \$80 billion each year, destroying incentives to innovate. A [2014 study](#) found that firms forced to pay patent trolls reduce their spending on R&D, on average by \$211 million.

Hundreds of lawsuits have been and are still being filed by VLSI and similar front companies. In a case earlier this year, VLSI was awarded \$2.18 billion in damages against Intel. Intel has said it will appeal that decision.

“Patent trolls pick courts to file in where they think they’ll have an advantage. Once Judge Albright took the bench in Waco, lawsuits there rose 40,000%. And 85% of those lawsuits are coming from trolls. They see a court in Waco that enables their success,” said Landau, noting the \$2.18 billion in damages set in the first *VLSI v. Intel* case. A third trial is ahead.

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“We’ve got to expose these patent trolls, their meritless patent claims, and the hedge funds that created and fund them. If we don’t, the real high-tech innovators and job creators in Texas and across America – and ultimately, the people who benefit from their products – will pay the price,” said Landau.

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