

FTC Office of the Secretary  
Room H-113  
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### **Comments of the National Association of Realtors on 6(b) Information Requests for Patent Assertion Entities**

On behalf of its more than one million members, the NATIONAL ASSOCIATION OF REALTORS® (NAR) urges the Federal Trade Commission to launch its 6(b) study of Patent Assertion Entities (PAEs). This study is an important step in devising a solution to the serious impacts that PAEs are having on main street businesses like REALTORS®. Litigation and threatened litigation from abusive PAEs divert resources away from more productive activities including property sales and investment in new technologies that enhance the consumer's real estate experience and lead to job creation.

NAR, whose members identify themselves as REALTORS®, represents a wide variety of real estate industry professionals. REALTORS® have been early adopters of technology and are industry innovators who understand that consumers today are seeking real estate information and services that are fast, convenient and comprehensive. Increasingly, technology innovations are driving the delivery of real estate services and the future of REALTORS'® businesses.

As technology users, NAR and several of its members recently faced onerous patent infringement litigation over questionable patents dealing with location-based search capabilities. In addition, our broker and agent members are increasingly dealing with demand letters to license commonly used technologies like scanner-copiers, online alert functions, and even the use of drop-down menus on agent websites. Our members know firsthand that PAEs divert significant time and money from their businesses.

NAR believes the Commission's 6(b) study will make an important contribution to the policy debate on this issue. The study will help to shed light on the complex and intentionally obscure ownership structure of PAEs as well as the practice of patent privateering. Both practices are common activities for PAEs and contribute to the expense and burden that small businesses face when confronted with the often abusive demand letters from PAEs.

The Commission's study is even more critically necessary given the Senate Judiciary Committee's failure to pass the Patent Transparency and Innovation Act this year. Additional empirical evidence that we believe this study will provide should help incent the 114<sup>th</sup> Congress to take swift action on this issue as unnecessary delay only creates additional costly burden on Main Street businesses.

Without needed reforms that assure that asserted patent rights are legitimate and frivolous litigation schemes are curtailed, the ability of businesses owned by REALTORS®, many of which are small businesses, to grow, innovate and better serve modern consumers will be put at risk. NAR commends and supports the Federal Trade Commission's efforts.