

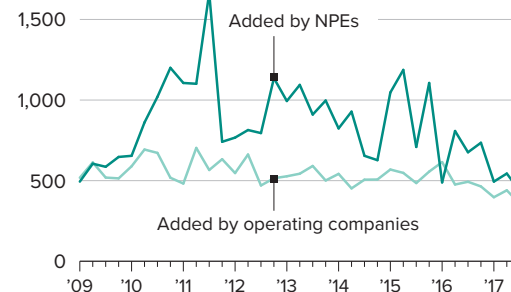
Oct. 19, 2017

Patent Litigation Drops After SCOTUS Venue Ruling

In the third quarter, the number of defendants sued by non-practicing entities for patent infringement fell to its lowest point since at least 2009. The dropoff is likely driven by the Supreme Court’s May ruling in *TC Heartland v. Kraft* that infringement suits can be filed only in the U.S. court district where the defendant resides, has committed infringement or has a “regular and established place of business.” Since then, NPEs have begun to file disputes in district courts other than the long-favored Eastern District of Texas. Delaware is the new favorite with 120 defendants added to NPE campaigns in the third quarter, according to RPX data. Eastern Texas had accounted for at least half of new NPE filings each quarter for the past several years.

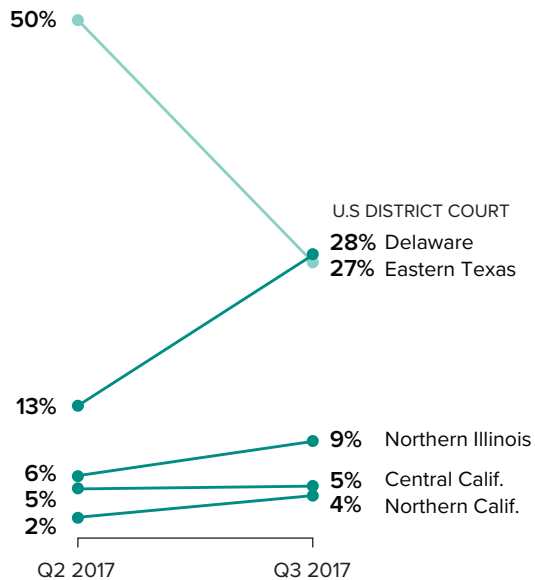
An NPE is a patent holder that does not manufacture a product or provide services related to the patent. NPEs routinely sue multiple companies for infringement at a time. While not all NPEs are trolls, all “patent trolls” are NPEs.

Defendants added to U.S. patent campaigns

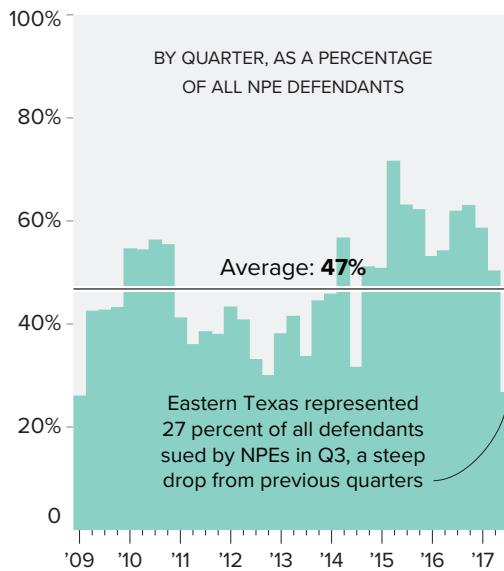


Change in NPE filings at top venues

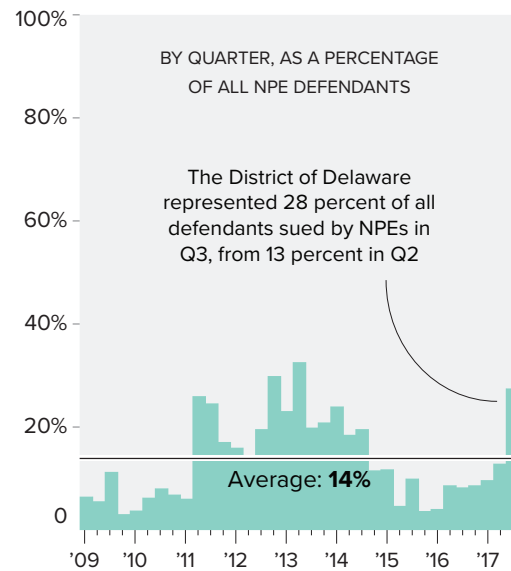
AS PERCENTAGE OF TOTAL NPE DEFENDANTS



Defendants added by NPEs in Eastern Texas



Defendants added by NPEs in Delaware



Source: RPX